



Waukeee Community School District

Waukeee, Iowa

Comprehensive Annual Financial Report

Year Ended June 30, 2010

COMPREHENSIVE ANNUAL FINANCIAL REPORT

WAUKEE COMMUNITY SCHOOL DISTRICT

Waukee, Iowa

Fiscal Year Ended June 30, 2010

OFFICIAL ISSUING REPORT

R. Duane Van Gorp, Executive Director of Administrative Services

OFFICE ISSUING REPORT

Business Office

Waukee Community School District
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November 26, 2010

We are a District with a dedication to all students and an unwavering commitment to a quality educational program. That commitment, along with a strong sense of community defines the work of the Board of Education for the Waukee Community School District. In a time of ongoing funding restrictions and changing financial models, achieving these goals is a significant challenge.

Our shared vision statement is “to deliver appropriate educational programs for our students, recognizing that all involved – students, teachers, and family – share in the responsibility for learning.” Honoring our vision keeps us focused on moving forward, closing any gap that may exist between our current reality and our vision. The District’s Guiding Principles and Mission Statement guide the allocation of resources to achieve our goals.

Iowa continues to fall short of fully funding the education formula for K-12 schools. In Waukee, we will continue to allocate available resources to fulfill our mission and our commitment to students.

This report is a comprehensive financial record of the District for the fiscal year ended June 30, 2010. It reflects the conditions that have enabled the Waukee Community School District to maintain a favorable and improving financial picture – even during a period of challenging growth. Among the enabling conditions are:

We have a highly dedicated and skilled team of teachers, staff, and administrators.

We have a highly effective Board of Education and a very supportive community.

We work in an atmosphere where everyone is encouraged to work at their highest level in a collaborative environment.

As you examine this report, you will see a pattern of on-going financial strength that we hope to continue into the future. We welcome your questions and suggestions. We will continue to learn together to build on our success as a learning community for the future.

Respectfully Submitted,



David J. Wilkerson, Ph.D.
Superintendent

November 26, 2010

Members of the Board of Education
Waukee Community School District
Waukee, Iowa

The Comprehensive Annual Financial Report (CAFR) for the Waukee Community School District for the fiscal year ended June 30, 2010 is submitted herewith. Responsibility for accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District Office of Administrative Services. We believe the data is accurately presented, in all material respects; that the data is presented to fairly set forth the financial position of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information and the respective changes in financial position and cash flows where applicable; and that all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs.

The Comprehensive Financial Annual Report is presented in three sections: introductory, financial and statistical. The introductory section, which is unaudited, includes this transmittal letter, a list of principal District officials, and an organizational chart. The financial section includes the management's discussion and analysis, audited basic financial statements, required supplementary information and the combining and individual fund financial statements and schedules, as well as the independent auditor's report. The statistical section, which is un-audited, includes selected financial and demographic information, generally presented on a multi-year basis. We encourage readers to refer to all three sections of the report, including the Management's Discussion and Analysis in the financial section, which gives a more detailed summary of the District's financial performance.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U. S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*.

The report includes all funds and account groups of the Waukee Community School District. The Waukee Community School District has no component units that meet the Governmental Accounting Standards Board criteria. The District provides a full range of services including instructional, administrative, transportation, food service, maintenance of sites and facilities, custodial, clerical, extra and co-curricular and athletic and activities.

This CAFR has been prepared using the guidelines recommended by the Association of School Business Officials International (ASBO). Certificates of Excellence are awarded to school systems that have presented their CAFR to the ASBO Panel of Review for critical review and evaluation. Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting. The standards used in the "Certificate of Excellence Program" are based on generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). We will actively pursue this award through the efforts of the entire Waukee Team. The Waukee Community School District received this certificate for its comprehensive annual financial report for the fiscal years ending June 30, 2004, 2005 and 2006, 2007 and 2008.

BASIS OF ACCOUNTING

The District's accounting records were maintained on a modified accrual basis. These accounting policies are enumerated in the notes to the financial statements. All the District's funds are presented in this report and have been audited by the District's independent certified public accountants, Van Maanen, Sietstra & Meyer, P.C.

The chart of accounts used by the District is in conformance with the Uniform Accounting System for Iowa Schools and Area Education Agencies issued November 1975 and updated in 2006, by the Iowa Department of Education. The chart of accounts manual is updated on an annual basis. The District is in full compliance with these requirements.

ECONOMIC CONDITION AND OUTLOOK

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook is stable. The Waukee Community School District has been and is currently the fastest growing school district in the state of Iowa and the growth projections are expected to continue. Student increases of nearly 600 students have been recorded in the past two years. Taxable assessed value continues to grow even during the current economic downturn. The economy in the state has struggled the past year and this recessionary period has resulted in reduced revenue for public education. While the unemployment rate in the greater Des Moines has consistently remained lower than national averages, the economy has been stagnate. Retail sales in the greater Des Moines have leveled but remain strong. The City of West Des Moines continues to grow as does the City of Waukee. District taxable assessed valuations have continued steady growth to reach \$2.2 billion for January 2008 values.

Based on conservative projections, this trend is expected to continue. While having a positive impact, the growth also presents significant challenges for the District. The District utilizes the optional instructional support levy at a level deemed appropriate and will need to continue a high level of efficient use of human resources and facilities.

Retail sales, building permits and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. An article in the September 27, 2007 edition of the Des Moines Register quoted a report from the Bureau of Economic Analysis showing the Des Moines Metropolitan area ranking 24th in the United States in terms of gross domestic product. The report also showed the area as the fastest growing municipal economy in the country increasing 7.2% since 2004. Retail, commercial and residential property values continue to grow. Assessed values of the District are conservatively projected to increase by 5-10% or more in the near term. In the fall of 2004, a new 250-acre retail shopping mall opened within the boundaries of the District and is expected to generate eighty million dollars in revenue annually. Wells Fargo opened its national mortgage headquarters in West Des Moines and currently employs in excess of 1,000. Aviva has located its North American headquarters within the boundaries of our school district with employment projections rivaling Wells Fargo. Areas surrounding the Jordan Creek Town Center continue to grow and add new retail and commercial property. The schools of Dallas County passed a one-cent sales tax on all covered retail sales in the county. All the schools in Dallas County on a per pupil basis will share the revenue from this sales tax. The Waukee Community School District is the largest district in Dallas County with over one-half of the county's students. That percentage of total students in the county will continue to increase on an annual basis with the District receiving a larger percentage of the total sales tax annually.

MAJOR INITIATIVES

Current year. During the year, the District implemented a six-year plan for facilities and continued to utilize a three-year plan for finances. The District's rapid growth, limited resources and the need to clearly outline and prioritize site and facility needs in chronological order necessitate the plans. Specifically, \$10.2 million Shuler Elementary, a \$10.4 million replacement building for Waukee Elementary and an \$18.9 million South Middle School. All projects opened on schedule in the fall of 2010.

Future Considerations. The six-year facility plan and accompanying demographic information concluded that student enrollment and tax base would continue to increase at a rapid pace. This study shows the need for additional space at the current high school probably by the fall of 2012. A seventh elementary building will most likely be needed by the fall of 2013. The District is involved with local developers concerning land purchases for future school sites on an ongoing basis. A \$4.5 million, 400 seat Theater Arts Center will be complete in November of 2010. Revenues from a \$70 million referendum passed in March of 2008 will fund the high school addition and the Theater Arts Center, however a referendum or borrowing against future proceeds of the state wide sales tax will be needed for the elementary school.

DEBT ADMINISTRATION

The ratio of net indebtedness to assessed valuation and the amount of indebtedness per capita are useful indicators of the District's debt position. The 2010 fiscal year data shows a total outstanding indebtedness on June 30 of \$122,125,000 with a ratio of debt to 100% taxable, actual, assessed valuation of 3.19%. During FY 2010, \$26,685,000 of outstanding debt was paid and an additional \$18,310,000 of new debt issued. In the near future, as assessed valuation and District population rise and total indebtedness decrease, these economic indicators will reflect a very favorable financial position.

The above indebtedness of \$122,125,000 is a result of general obligation bonds issued July 1997, July 1998, June 1999, April 2000, March 2001, April 2002, November 2002, May 2003, June 2004, February 2005, March 2005, March 2008 and April 2009. Capital loan notes were issued in February of 2006 and Sales Tax Revenue Bonds were issued in April of 2007. Refunding issues resulted in \$4,375,000 reduction in outstanding debt during the fiscal year.

RISK MANAGEMENT

Waukee Community School District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, error and omissions, injuries to employees and natural disasters. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

FINANCIAL INFORMATION

Management of the District is responsible for establishing and maintaining an internal control designed to ensure that its capital assets are protected from loss, theft or misuse and to ensure that accounting data are compiled to allow for the preparation of the basic financial statements in accordance with accounting principles generally accepted in the United State of America. The internal control is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state and county financial assistance, the District also is responsible for ensuring that an adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and external auditors.

As a part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal awards programs. The results of the District's single audit for the fiscal year ended June 30, 2010, provided no instances of material weaknesses in the internal control or violations of applicable laws and regulations.

Budgetary Controls. In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, special revenue funds, Debt Service Fund, enterprise fund and capital projects funds are included in the annual appropriated budget.

Project length financial plans are adopted for the capital projects funds and budgeted accordingly on an annual basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by program level for all funds combined rather than at the individual fund level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at the fiscal year's end. However, encumbrances generally are re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

BASIS OF PRESENTATION

The charts and accounts used by the District have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records conform to the Uniform Accounting System for Iowa Schools, Chapter 11 of the Code of Iowa and Area Educational Agencies issued by the Department of Education, state of Iowa. The chart of accounts manual is updated annually and the District is in full compliance with these requirements.

CASH MANAGEMENT

Cash, while temporarily idle during the year, was invested in time deposits and money market accounts. Interest rates remained extremely low being less than 1% during the year. While interest amounts have decreased this year this aspect of the District's finances has continued in its importance in recent years as we have sought to maximize the yield on our investments without forfeiting the use of fund balances.

OTHER INFORMATION

Independent Audit. The accounting firm of Van Maanen, Sietstra & Meyer, P.C. was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements, combining and individual fund statements and other schedules is included in the financial section of this report.

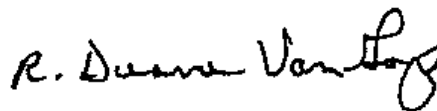
ACKNOWLEDGEMENT

The preparation of this report on a timely basis could not have been accomplished without the effort of the accounting staff and our auditors, Van Maanen, Sietstra & Meyer, P.C. We would like to express our appreciation to all staff members who assisted and contributed to this report. Also, appreciation is expressed for the interest and support of the Board of Education in conducting the financial operations of The District in a most responsible and progressive manner.

Respectfully submitted,

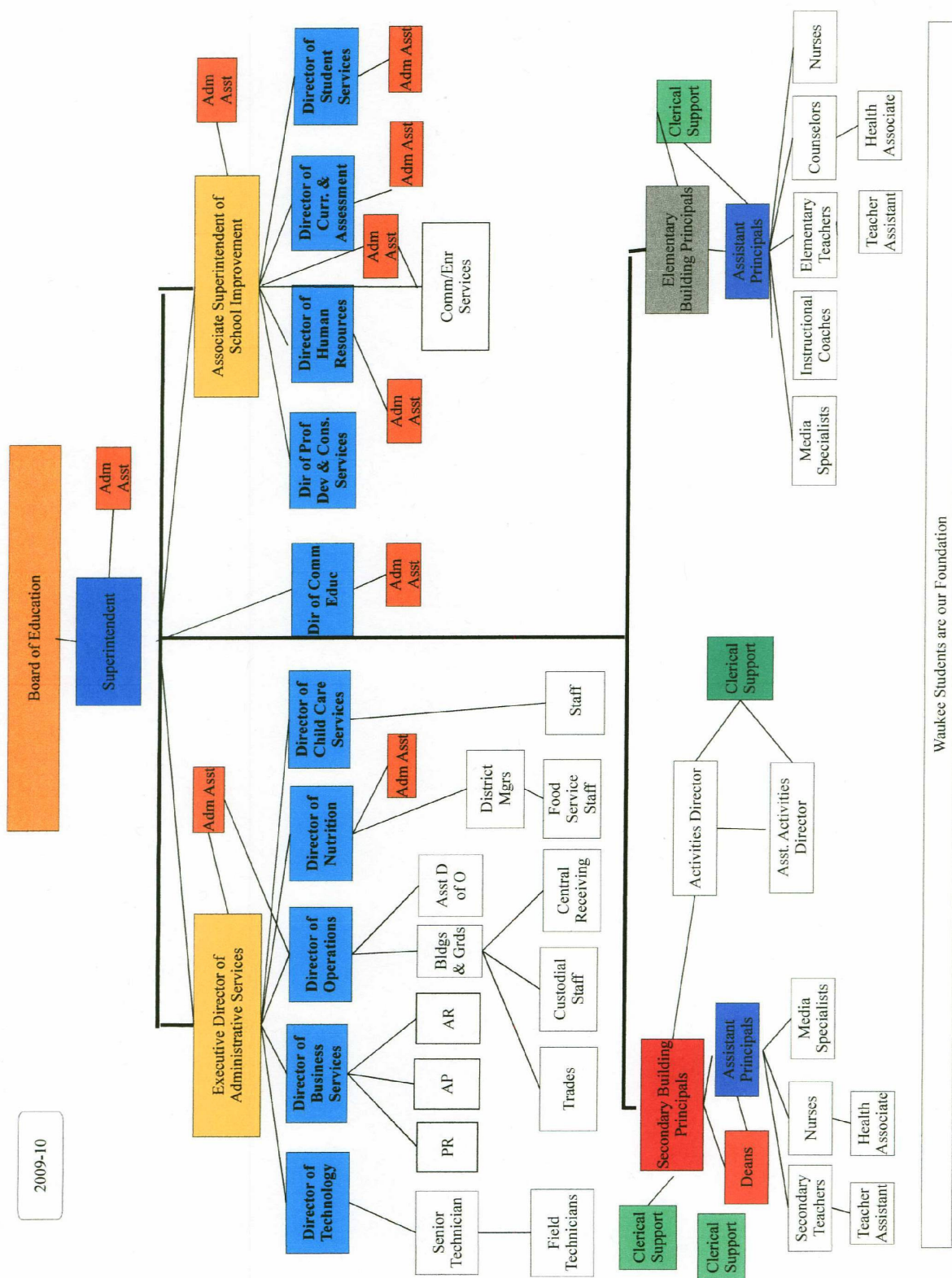


David J. Wilkerson, Ph.D.
Superintendent



R. Duane Van Gorp, RSBO
Executive Director of Administrative Services

Waukee Community School District
Organizational Chart
Year Ended June 30, 2010



**Waukee Community School District
Board of Education and Board Attorney
Year Ended June 30, 2010**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Before September, 2009 Election		
Pat De Mouth	President	2009
Larry Lyon	Vice President	2011
Wayne Cooper	Board Member	2009
Tracy Lepeltak	Board Member	2009
Russ Wiesley	Board Member	2009
Susan Bunz	Board Member	2011
Jerry Ripperger	Board Member	2011
After September, 2009 Election		
Russ Wiesley	President	2013
Jerry Ripperger	Vice President	2011
Susan Bunz	Board Member	2011
Larry Lyon	Board Member	2011
Dave Duncan	Board Member	2013
Mary Thomas	Board Member	2013
Chuck Van Devander	Board Member	2013
Board Attorney		
Ahlers & Cooney, P.C.	School Attorney	Indefinite

**Waukee Community School District
School District Administration
Year Ended June 30, 2010**

<u>Name</u>	<u>Position</u>
Dr. David J. Wilkerson	Superintendent
R. Duane Van Gorp, RSBO	Executive Director of Administrative Services
Dr. Bradley Buck	Assistant Superintendent for School Improvement
Amanda Ross	Director of Teaching & Learning
Roxanne Cumings	Director of Student Services
Ray Coffey	Director of Technology
Lora Appenzeller-Miller	Director of Accounting/Secretary to the Board of Education
Eric Rose	Director of Operations
Jeannie Allgood	Director of Nutrition Services
Andrea Wilmes	Director of Child Care Services
Duane Magee	Director of Personnel
Sharon Ingebrand	Director of Professional Development & Consultive Services
Jody Ratigan	High School Principal
Judi Roland	High School Dean of Students
Ronald Book	High School Dean of Students
Theresa Best	High School Dean of Students
Mark Tigges	High School Dean of Students
Cherry Donovan	High School At Risk Coordinator
Juley Murphy-Tiernen	Prairieview Principal
Ed Slauson	Prairieview Dean of Students
Susan Elbert	Prairieview Dean of Students
Larry Kenealy	Prairieview Dean of Students
Jill Urich	Middle School Principal
Ed Pilkington	Assistant Middle School Principal
Jodie Graham	Assistant Middle School Principal
Mark Skahill	Middle School Dean of Students
Nicole Tjaden	Waukee Elementary Principal
Peg Erke	Eason Elementary Principal
Terry Hurlburt	Brookview Elementary Principal
Chris Smith	Walnut Hills Elementary Principal
Michelle Lettington	Maple Grove Elementary Principal
Scott Shumaker	Assistant Elementary Principal
Karen Allison	Assistant Elementary Principal
Josh Manning	Assistant Elementary Principal
Lyndsay Marron	Assistant Elementary Principal
Jim Duea	Director of Athletics & Activities
Todd Schneider	Assistant Director of Athletics
Wayne Kischer	Auditorium Manager

**Waukee Community School District
Consultants, Advisers, and Official Depositories
Year Ended June 30, 2010**

Consultants and Advisors:

Certified Public Accountants:

Van Maanen, Sietstra & Meyer, PC
705 Main St.
Pella, IA 50219

Bond Attorney:

Ahlers & Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, Iowa 50309-2231

Financial Consultant

Piper Jaffrey
700 Walnut Street, Suite 1300
Des Moines, Iowa 50309-3800

General Counsel:

Ahlers & Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, Iowa 50309-2231

Property/Casualty Insurance Agent

Insurance Associates
2501 Westown Parkway, Suite 1104
West Des Moines, Iowa 50266-1438

Benefits Insurance Broker:

Mercer Advantage
1776 West Lakes Parkway - SS2
West Des Moines, Iowa 50266

Official Depositories:

Wells Fargo, Iowa
110 Highway 6
Waukee, Iowa 50263

First American Bank
12333 University Avenue
P.O. Box 71156
Clive, Iowa 50325

Iowa School Joint Investment Trust
P.O. Box 71158
Clive Iowa 50325-0158

IPAS Education
1415 28th St., Suite 200
Century Building
West Des Moines, Iowa 50266-1456





705 Main Street
Pella, IA 50219
641-628-3737

www.vanmaanenpcpa.com

Van Maanen, Sietstra & Meyer, PC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Education
Waukee Community School District
Waukee, Iowa

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Waukee Community School District, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Waukee Community School District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2010 on our consideration of Waukee Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 13-19, the Schedule of Funding Progress for the Retiree Health Plan and Budgetary Comparison Information on pages 52-54 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Waukee Community School District's basic financial statements. A different accounting firm audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the four years ended June 30, 2006 (which are not presented herein) and expressed unqualified opinions on those financial statements. We audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2009 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 7, and the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Van Maanen, Sietstra & Meyer, PC

Van Maanen, Sietstra & Meyer, PC
Certified Public Accountants

November 12, 2010

It is with great pleasure we present to you the financial picture of Waukee Community School District. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Waukee Community School District for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A). However, in the year of implementation, certain omissions are allowed. Subsequent MD&A's will include all required comparative information.

Financial Highlights

The District showed an increase in net assets of \$3,187,931 during the year ended June 30, 2010.

Total revenues for the fiscal year ended June 30, 2010 of \$70,926,050 were comprised of General Revenues in the amount of \$58,690,272 and program revenues totaling \$12,235,778.

As of June 30, 2010, unreserved, undesignated fund balance for the General Fund was \$8,490,557 or 17.36% of General Fund expenditures. The financial solvency ratio for the year ended June 30, 2010 was 16.70%, which is a decrease of 2.24% over the previous year. This decrease is attributed to unreserved fund balance used to withstand a 10% across the board cut of revenue by the Governor.

The Waukee Community School District's total long-term bonded debt decreased 4.25% by \$4,375,000 due to the issuance of general obligation refunding bonds issued in March of 2010.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Waukee Community School District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of Waukee Community School District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all Waukee Community School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements reflect functions of the Waukee Community School District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instructional services, other and interest on long-term debt. Business type activities are those that the District charges a fee to help cover the costs such as School Nutrition.

The government-wide financial statements include only Waukee Community School District. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the District.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Waukee Community School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary fund and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Waukee Community School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service and Capital Projects Funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22-28 of this report.

Proprietary fund – The District maintains only one type of proprietary fund, the enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District maintains one enterprise fund.

The basic proprietary fund financial statements can be found on pages 29-31 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Waukee Community School District's own programs. The fiduciary funds of the District are agency funds. Agency funds are custodial in nature and do not involve measurement of results of operation.

The basic fiduciary fund financial statements can be found on pages 32-33 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Waukee Community School District's budgetary comparison. Required supplemental information can be found on pages 52-54 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's total net assets have increased from a year ago from \$51,652,109 to \$54,840,040.

Waukee Community School District
Management's Discussion and Analysis
Fiscal Year ended June 30, 2010

A significant portion of the District's total assets reflects its investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District's net assets invested in capital assets, net of related debt, was \$33,872,141. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Statement of Net Assets

	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2010	2009	2010	2009	2010	2009	2009-2010
Current assets	\$ 79,436,198	118,668,419	2,045,916	1,657,951	81,482,114	120,326,370	-32.3%
Capital assets, net	144,847,579	108,245,275	837,491	961,494	145,685,070	109,206,769	33.4%
Other noncurrent assets	278,985	119,060	-	-	278,985	119,060	134.3%
Total assets	224,562,762	227,032,754	2,883,407	2,619,445	227,446,169	229,652,199	-1.0%
Current liabilities	56,877,911	54,305,759	122,162	93,232	57,000,073	54,398,991	4.8%
Noncurrent liabilities	115,550,991	123,573,739	55,065	27,360	115,606,056	123,601,099	-6.5%
Total liabilities	172,428,902	177,879,498	177,227	120,592	172,606,129	178,000,090	-3.0%
Net assets:							
Invested in capital assets, net of related debt	33,034,650	29,171,718	837,491	961,494	33,872,141	30,133,212	12.4%
Restricted	11,605,994	4,452,801	-	-	11,605,994	4,452,801	160.6%
Unrestricted	7,493,216	15,528,737	1,868,689	1,537,359	9,361,905	17,066,096	-45.1%
Total net assets	\$ 52,133,860	49,153,256	2,706,180	2,498,853	54,840,040	51,652,109	6.2%

The restricted portion of the District's net assets (22%) represents resources that are subject to external restrictions on how they may be used. These restrictions include \$1,494,985 for Management fund, \$3,346,254 for Physical Plant and Equipment, \$13,726,849 for Capital Projects and \$472,716 for other special revenue purposes. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to students and creditors.

At the end of the current fiscal year, the Waukee Community School District is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The District's total net assets increased by \$3,187,931, or 22%, during the current fiscal year. The total invested in capital assets net of related debt increased 6.2%. The governmental activities net assets increased by \$2,980,604. Business type activities increased by \$207,327. The increase in governmental activities net assets is mainly attributable to less than expected budgeted expenditures during a time that the District is growing dramatically and investing heavily in capital assets.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2010 as compared to the fiscal year ended June 30, 2009. These two main components are subtracted to yield the change in net assets. This table utilized the full accrual method of accounting. Revenue is further divided into two major components: Program Revenue and General Revenue. Program Revenue is defined as charges for services and sales, operating and capital grants and contributions. General Revenue includes taxes and unrestricted grants such as state foundation support.

**Waukee Community School District
Management's Discussion and Analysis
Fiscal Year ended June 30, 2010**

**Table 2
Changes in Net Assets**

	Governmental activities		Business type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2010	2009	2010	2009	2010	2009	2009-2010
Revenues:							
Program revenues:							
Charges for services	\$ 2,296,318	2,127,735	3,146,530	2,970,821	5,442,848	5,098,556	6.75%
Operating grants and contributions	9,939,460	6,461,886	681,161	585,268	10,620,621	7,047,154	50.71%
General Revenues:							
Property and other taxes	37,143,451	33,707,077	-	-	37,143,451	33,707,077	10.19%
Statewide sales and services tax	3,803,136	4,785,137	-	-	3,803,136	4,785,137	-20.52%
Unrestricted state grants	15,766,453	17,947,867	-	-	15,766,453	17,947,867	-12.15%
Unrestricted investment earnings	191,804	570,523	2,266	12,977	194,070	583,500	-66.74%
Other	1,925,807	594,933	-	50	1,925,807	594,983	223.67%
Transfers	(140,379)	-	140,379	-	-	-	0.00%
Total revenues	70,926,050	66,195,158	3,970,336	3,569,116	74,896,386	69,764,274	7.36%
Expenses:							
Program expenses:							
Instruction	39,751,992	33,853,764	-	-	39,751,992	33,853,764	17.42%
Support services	15,156,524	13,692,553	-	-	15,156,524	13,692,553	10.69%
Non-instructional programs	28,486	-	3,763,009	3,294,807	3,791,495	3,294,807	15.07%
Other	7,711,145	2,066,925	-	-	7,711,145	2,066,925	273.07%
Debt service	5,297,299	3,795,080	-	-	5,297,299	3,795,080	39.58%
Total expenses	67,945,446	53,408,322	3,763,009	3,294,807	71,708,455	56,703,129	26.46%
Changes in net assets	2,980,604	12,786,836	207,327	274,309	3,187,931	13,061,145	-75.59%
Net assets beginning of year	49,153,256	36,366,420	2,498,853	2,224,544	51,652,109	38,590,964	33.85%
Net assets end of year	\$ 52,133,860	49,153,256	2,706,180	2,498,853	54,840,040	51,652,109	6.17%

Expenses are shown in programs including instruction, support services, non-instructional programs, other and interest on long-term debt.

The number of students served by the District increased by approximately 282 students, which was a 4.7% increase over the prior year. This accounts for the across the board increase in revenues and expenses in both governmental activities and business-type activities. Investment earnings decreased 65.5% due to falling interest rates and decreased availability of investment capital for greater periods of time. Local option sales tax increased by only 20.5% due to an overall moderating of Dallas County taxable sales.

Table 3 below discloses cost of services for governmental and business-type activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by state aid and local taxes. The difference in these two columns would represent restricted grants and services. Net Cost of services is 82% of total cost of services in 2010.

**Table 3
Total and Net Cost of Governmental Activities**

	Total Cost of Services			Net Cost of Services		
	June 30,			June 30,		
	2010	2009	Change 2009-2010	2010	2009	Change 2009-2010
Instruction	\$ 39,751,992	33,853,764	17.42%	30,158,783	27,466,295	9.80%
Support services	15,156,524	13,692,553	10.69%	14,820,245	13,412,744	10.49%
Non-instruction	28,486	-		28,486	-	
Other	7,711,145	2,066,925	273.07%	5,404,855	144,582	3638.26%
Debt service	5,297,299	3,795,080	39.58%	5,297,299	3,795,080	39.58%
	\$ 67,945,446	53,408,322	27.22%	55,709,668	44,818,701	24.30%

Financial Analysis of the Government's Funds

As noted earlier, the Waukee Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the Waukee Community School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Waukee Community School District's governmental funds reported combined ending balances of \$31,877,926, a decrease of \$41,647,696 in comparison with the prior year. Approximately 26.6% of this total amount, or \$8,490,957 constitutes unreserved fund balance and is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for 1) inventories \$42,785; 2) Categorical Funding \$73,885; 3) Debt Service \$755,476; 4) Capital Projects \$17,200,868 and for 5) non-major, special revenue funds \$5,313,955.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,490,957 while total fund balance reached \$8,607,627. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 16.6% of total General Fund expenditures.

The fund balance of the District's General Fund decreased \$508,195 during the current fiscal year. The key factor in this was a 10% across the board cut by the Governor to school funding.

The District's other major funds include the Debt Service Fund and the Capital Projects Fund. The Debt Service fund balance increased \$71,049 due to accumulation of local taxes needed to make future interest payments as they come due. The Capital Projects fund balance decreased by \$41,698,417 due to the construction of two elementary schools and one middle school building that opened the fall of 2010.

Budgetary Highlights

As allowed by GASB Statement No. 41, *Budgetary Comparison-Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annually adopts a program budget for all funds except agency funds as described in the note to required supplementary information.

A comparison of the actual expenditures/expenses of the District's budgeted funds with the final budget amounts is as follows:

	Budget-		
	Original and		
	Final	Actual	Variance
Instruction	\$ 31,250,000	36,776,509	(5,526,509)
Support services	27,160,000	14,890,288	12,269,712
Noninstructional programs	3,150,000	3,712,998	(562,998)
Other	56,230,897	79,545,517	(23,314,620)
	<u>\$ 117,790,897</u>	<u>134,925,312</u>	<u>(17,134,415)</u>

Capital Assets and Debt Administration

The following table shows ending balances of capital assets invested in various categories. The District recognized a total net increase of \$10,909,502. The increase can be attributed to extensive land purchases and three major construction projects in progress at year's end.

Table 4							
Capital Assets, Net of Depreciation							
	Governmental activities		Busines Type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2010	2009	2010	2009	2010	2009	2009-2010
Land	\$ 5,510,945	5,510,945	-	-	5,510,945	5,510,945	0.0%
Improvements other than bulidings	3,572,512	2,438,237	-	-	3,572,512	2,438,237	46.5%
Buildings and improvements	93,318,786	89,590,943	-	-	93,318,786	89,590,943	4.2%
Furniture and equipment	3,171,501	2,279,282	837,491	961,494	4,008,992	3,240,776	23.7%
Construction in progress	39,273,835	8,425,868	-	-	39,273,835	8,425,868	366.1%
Total	\$ 144,847,579	108,245,275	837,491	961,494	145,685,070	109,206,769	33.4%

Additional information about the District's capital assets can be found in note 4 to the financial statements.

Debt

As of June 30, 2010, the Waukee Community School District had general obligation and capital loan notes outstanding totaling \$110,770,000. In the current year, the District paid \$26,685,000 in principal and \$5,605,466 in interest.

As of June 30, 2010, the District's available debt limit was \$191,137,835 which leaves a legal debt margin of \$80,367,835 once the current year applicable general obligation and capital loan debt is applied.

Additional information about the District's long-term debt can be found in note 5 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The District is located in the central part of the state, approximately 15 miles west of the city of Des Moines. The District, comprised totally in Dallas County, Iowa, is one of the fastest growing counties in the nation. The District is the fastest growing school district in the State of Iowa. The September 2009 certified student enrollment increased 281.8 students over the previous year. The economic condition and outlook of the District is one of great optimism. Over the past seven years the total taxable assessed value in the District has increased \$1.54B. The taxable assessed value has increased 187% in the last five fiscal years. For the current fiscal year, taxable assessed value in the District increased \$202,693,391 or 9.4%.

Based on conservative estimates this trend is expected to continue and probably accelerate in the immediate future. The eastern portions of Dallas County are experiencing tremendous growth in both residential and commercial development. The collection of the Dallas County local option sales tax, a one cent tax on all covered retail sales began in January of 2004 and generated \$4.78 million dollars in fiscal 2010. An estimated \$5.2 million dollars is expected to be generated in 2011. The one-cent sales tax will continue through December of 2013.

This tremendous growth, while having a positive impact, also presents significant challenges for the District. The District is utilizing the optional instructional support levy to its fullest and will need to continue its high level of efficient use of human resources and facilities.

Retail sales, building permits and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. Dallas County is one of the fastest growing counties in the country. These increases are projected to continue if economic conditions remain favorable.

The past year saw a dramatic State of Iowa economic downturn. Revenue projections at the state level decreased drastically from the previous year. The District has faced reductions in funding for state aid and other state-funded programs in fiscal 2010 of approximately \$2.7M. The District has taken a pro-active approach to fiscal stability that has served it well in these times of financial crisis. The 2010 legislature set allowable growth for the 2009-10 at 4%, however projections see reductions in state funding for the 2010 fiscal year. We are optimistic about the District's financial outlook because of prudent actions taking over the past five to six years. The District has positioned itself extremely well to withstand financial uncertainties at both the state and federal level. We are confident as the national economy begins to strengthen, state revenues will follow the same upward direction.

Requests for Information

These financial statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors with a complete disclosure of the District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Mr. R. Duane Van Gorp, Executive Director of Administrative Services, Waukee Community School District, 560 S.E. University Avenue, Waukee, Iowa, 50263.

Basic Financial Statements

Waukee Community School District
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business Type Activities	Total Primary Government
Assets			
Current Assets:			
Cash and cash equivalents	\$ 39,189,292	1,956,238	41,145,530
Receivables:			
Property tax:			
Delinquent	222,650	-	222,650
Succeeding year	39,108,503	-	39,108,503
Accounts	23,685	17,248	40,933
Due from other governments	849,283	-	849,283
Inventories	42,785	72,430	115,215
Total current assets	79,436,198	2,045,916	81,482,114
Non-current assets:			
Bond discounts, unamortized	110,683	-	110,683
Bond issuance costs, unamortized	168,302	-	168,302
Capital assets:			
Land	5,510,945	-	5,510,945
Improvements other than buildings	5,532,493	-	5,532,493
Buildings and improvements	108,512,294	-	108,512,294
Vehicles, furniture and equipment	5,431,880	1,819,550	7,251,430
Construction in progress	39,273,835	-	39,273,835
Accumulated depreciation	(19,413,868)	(982,059)	(20,395,927)
Total capital assets	144,847,579	837,491	145,685,070
Total non-current assets	145,126,564	837,491	145,964,055
Total assets	224,562,762	2,883,407	227,446,169
Liabilities			
Current liabilities:			
Accounts payable	3,239,726	33,620	3,273,346
Salaries and benefits payable	4,830,608	29,010	4,859,618
Accrued interest payable	622,081	-	622,081
Unearned revenue:			
Succeeding year property tax	39,108,503	-	39,108,503
Other	48,641	50,644	99,285
Capital loan notes payable	1,480,000	-	1,480,000
Revenue bonds payable	2,675,000	-	2,675,000
General obligation bonds payable	4,560,000	-	4,560,000
Early retirement payable	122,854	-	122,854
Compensated absences	190,498	8,888	199,386
Total current liabilities	56,877,911	122,162	57,000,073
Non-current liabilities:			
Capital loan notes payable	8,285,000	-	8,285,000
Revenue bonds payable	8,680,000	-	8,680,000
General obligation bonds payable	96,445,000	-	96,445,000
Unamortized premium	686,972	-	686,972
Early retirement payable	438,836	-	438,836
Other post employment benefits payable	1,015,183	55,065	1,070,248
Total non-current liabilities	115,550,991	55,065	115,606,056
Total liabilities	172,428,902	177,227	172,606,129

Waukeee Community School District
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business Type Activities	Total Primary Government
<i>Continued from previous page</i>			
Net Assets			
Invested in capital assets, net of related debt	33,034,650	837,491	33,872,141
Restricted for:			
Categorical funding	73,885	-	73,885
Management levy	1,056,149	-	1,056,149
Physical plant and equipment levy	3,346,254	-	3,346,254
Other special revenue purposes	472,716	-	472,716
Capital projects	3,006,791	-	3,006,791
Debt service	3,607,414	-	3,607,414
Other purposes	42,785	-	42,785
Unrestricted	7,493,216	1,868,689	9,361,905
Total net assets	\$ 52,133,860	2,706,180	54,840,040

See notes to financial statements.

Waukee Community School District
Statement of Activities
Year ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total Primary Government
Functions/Programs						
Governmental activities:						
Instruction:						
Regular	\$ 30,304,693	1,277,195	6,022,884	(23,004,614)	-	(23,004,614)
Special	5,801,606	174,703	1,448,284	(4,178,619)	-	(4,178,619)
Other	3,645,693	650,896	19,247	(2,975,550)	-	(2,975,550)
	39,751,992	2,102,794	7,490,415	(30,158,783)	-	(30,158,783)
Support services:						
Student	2,066,406	-	-	(2,066,406)	-	(2,066,406)
Instructional staff	2,673,864	-	-	(2,673,864)	-	(2,673,864)
Administration	3,792,417	-	1,500	(3,790,917)	-	(3,790,917)
Operation/maintenance of plant	4,278,445	126,361	-	(4,152,084)	-	(4,152,084)
Transportation	2,345,392	67,163	141,255	(2,136,974)	-	(2,136,974)
	15,156,524	193,524	142,755	(14,820,245)	-	(14,820,245)
Noninstructional services	28,486	-	-	(28,486)	-	(28,486)
Other expenses:						
Other programs	5,223,684	-	-	(5,223,684)	-	(5,223,684)
Debt service - interest	5,297,299	-	-	(5,297,299)	-	(5,297,299)
AEA flowthrough	2,306,290	-	2,306,290	-	-	-
Depreciation (unallocated) *	181,171	-	-	(181,171)	-	(181,171)
	13,008,444	-	2,306,290	(10,702,154)	-	(10,702,154)
Total governmental activities	67,945,446	2,296,318	9,939,460	(55,709,668)	-	(55,709,668)
Business type activities:						
Non-instructional programs:						
Food service operations	2,861,494	2,296,501	668,319	-	103,326	103,326
Daycare operations	688,651	791,795	-	-	103,144	103,144
Community education operations	212,864	58,234	12,842	-	(141,788)	(141,788)
Total business type activities	3,763,009	3,146,530	681,161	-	64,682	64,682
Total primary government	\$ 71,708,455	5,442,848	10,620,621	(55,709,668)	64,682	(55,644,986)

Waukee Community School District
Statement of Activities
Year ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Operating Grants, Contributions and Restricted Interest			
	Expenses	Charges for Service		Governmental Activities	Business Type Activities	Total Primary Government
Totals continued from previous page	\$ 71,708,455	5,442,848	10,620,621	\$ (55,709,668)	64,682	(55,644,986)
General Revenues:						
Property tax levied for:						
General purposes				24,323,728	-	24,323,728
Debt service				8,873,956	-	8,873,956
Capital outlay				3,945,767	-	3,945,767
Statewide sales and services tax				3,803,136	-	3,803,136
Unrestricted state grants				15,766,453	-	15,766,453
Grants and contributions not restricted to specific programs				302,681	-	302,681
Unrestricted investment earnings				191,804	2,266	194,070
Other				1,623,126	-	1,623,126
Transfers				(140,379)	140,379	-
Total general revenues and transfers				58,690,272	142,645	58,832,917
Change in net assets				2,980,604	207,327	3,187,931
Net assets beginning of year				49,153,256	2,498,853	51,652,109
Net assets end of year				\$ 52,133,860	2,706,180	54,840,040

* This amount excludes the depreciation that is included in the direct expense of the various programs.

See notes to financial statements.

Waukee Community School District
Balance Sheet
Governmental Funds
June 30, 2010

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
Assets					
Cash and pooled investments	\$ 13,693,381	688,755	19,123,304	5,475,990	38,981,430
Receivables:					
Property tax:					
Current year delinquent	121,080	66,721	-	34,849	222,650
Succeeding year	24,037,687	8,927,727	-	6,143,089	39,108,503
Accounts	21,968	-	-	1,639	23,607
Due from other governments	288,641	-	560,642	-	849,283
Inventories	42,785	-	-	-	42,785
Total assets	\$ 38,205,542	9,683,203	19,683,946	11,655,567	79,228,258
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 719,035	-	2,483,078	37,613	3,239,726
Salaries and benefits payable	4,792,552	-	-	38,056	4,830,608
Early retirement payable	-	-	-	122,854	122,854
Deferred revenue:					
Succeeding year property tax	24,037,687	8,927,727	-	6,143,089	39,108,503
Other	48,641	-	-	-	48,641
Total liabilities	29,597,915	8,927,727	2,483,078	6,341,612	47,301,691
Fund balances:					
Reserved for:					
Inventories	42,785	-	-	-	42,785
Categorical funding	73,885	-	-	-	73,885
Debt service	-	755,476	3,474,019	-	4,229,495
Unreserved:					
General fund	8,490,957	-	-	-	8,490,957
Capital projects fund	-	-	13,726,849	-	13,726,849
Special revenue funds:					
Management fund	-	-	-	1,494,985	1,494,985
Student activity fund	-	-	-	472,716	472,716
Physical plant and equipment fund	-	-	-	3,346,254	3,346,254
Total fund balances	8,607,627	755,476	17,200,868	5,313,955	31,877,926
Total liabilities and fund balances	\$ 38,205,542	9,683,203	19,683,946	11,655,567	79,228,258

See notes to financial statements.

Exhibit D

**Waukeee Community School District
Reconciliation of the Balance Sheet
Governmental Funds To the Statement of Net Assets
June 30, 2010**

Total fund balances of governmental funds (Exhibit C)	\$ 31,877,926
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	144,847,579
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The Internal Service Fund is used to charge the costs of the District's flexible benefits plan and self-funded dental plan to the governmental funds. The net assets of the Internal Service Fund are therefore included in governmental activities.	207,940
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Long-term liabilities, including bonds and notes payable, early retirement and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities at year-end consist of:

Capital loan notes payable	\$ (9,765,000)	
Revenue bonds payable	(11,355,000)	
General obligation bonds payable	(101,005,000)	
Bond discounts	110,683	
Bond issuance costs	168,302	
Bond premiums	(686,972)	
Accrued interest	(622,081)	
Early retirement	(438,836)	
Compensated absences	(190,498)	
Other post employment benefits	(1,015,183)	(124,799,585)
	<hr/>	<hr/>

Net assets of governmental activities (Exhibit A)	\$ 52,133,860
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See notes to financial statements.

Exhibit E

Waukee Community School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2010

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
Revenues:					
Local sources:					
Local tax	\$ 23,325,578	8,873,956	3,803,136	4,943,917	40,946,587
Tuition	1,053,978	-	-	-	1,053,978
Other	783,950	53,284	1,593,551	944,488	3,375,273
State sources	21,556,102	1,336	-	762	21,558,200
Federal sources	4,132,391	-	-	-	4,132,391
Total revenues	50,851,999	8,928,576	5,396,687	5,889,167	71,066,429
Expenditures:					
Current:					
Instruction:					
Regular	26,051,099	-	-	1,460,596	27,511,695
Special	5,640,679	-	-	-	5,640,679
Other	2,755,132	-	-	869,003	3,624,135
	34,446,910	-	-	2,329,599	36,776,509
Support services:					
Student	2,023,072	-	-	10,790	2,033,862
Instructional staff	2,600,415	-	-	4,316	2,604,731
Administration	3,583,704	-	6,427	78,739	3,668,870
Operation and maintenance of plant	3,914,917	-	-	273,390	4,188,307
Transportation	2,344,507	-	-	-	2,344,507
	14,466,615	-	6,427	367,235	14,840,277
Capital outlay:					
Facilities acquisition	-	-	43,926,115	850,547	44,776,662
Debt service:					
Principal	-	26,685,000	-	-	26,685,000
Refunding bond issuance cost	-	172,099	-	-	172,099
Interest and fiscal charges	-	5,605,466	-	-	5,605,466
	-	32,462,565	-	-	32,462,565
Intergovernmental:					
Other expenditures	2,306,290	-	-	-	2,306,290
Total expenditures	51,219,815	32,462,565	43,932,542	3,547,381	131,162,303
Excess (deficiency) of revenues over (under) expenditures	(367,816)	(23,533,989)	(38,535,855)	2,341,786	(60,095,874)
Other financing sources (uses):					
Interfund transfers in	-	5,016,481	-	-	5,016,481
Interfund transfers out	(140,379)	-	(3,162,562)	(1,853,919)	(5,156,860)
General obligation refunding bonds issued	-	18,310,000	-	-	18,310,000
Premium on sale of bonds	-	278,557	-	-	278,557
Total other financing sources (uses)	(140,379)	23,605,038	(3,162,562)	(1,853,919)	18,448,178
Net change in fund balances	(508,195)	71,049	(41,698,417)	487,867	(41,647,696)
Fund balances beginning of year	9,115,822	684,427	58,899,285	4,826,088	73,525,622
Fund balances end of year	\$ 8,607,627	755,476	17,200,868	5,313,955	31,877,926

See notes to financial statements.

Waukee Community School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds to the Statement of Activities
Year ended June 30, 2010

Net change in fund balances - total governmental funds (Exhibit E) **\$ (41,647,696)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Expenditures for capital assets	\$ 39,552,978	
Depreciation expense	<u>(2,950,674)</u>	36,602,304

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Assets. Repayment of long-term debt liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs and premiums, whereas these amounts are deferred in and amortized in the Statement of Activities. Current year items are as follows:

Proceeds from issuing general obligation bonds	(18,310,000)	
Premiums on general obligation issuance	(278,557)	
Issuance costs on general obligation issuance	172,099	
Repayments of bond and note principal	26,685,000	
Amortization of premiums and discounts	<u>54,944</u>	8,323,486

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

253,223

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Early retirement	(35,270)	
Compensated absences	(36,562)	
Other post employment benefits	<u>(510,543)</u>	(582,375)

The change in net assets of the Internal Service Funds represent an undercharge to the governmental funds served and, therefore, increases expenses in the Statement of Activities.

31,662

Change in net assets of governmental activities (Exhibit B)

\$ 2,980,604

See notes to financial statements.

Waukee Community School District
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,956,238	207,862
Receivables:		
Accounts	17,248	78
Inventories	72,430	-
Total current assets	2,045,916	207,940
Non-current assets:		
Capital assets:		
Equipment	1,819,550	-
Accumulated depreciation	(982,059)	-
Total noncurrent assets	837,491	-
Total assets	2,883,407	207,940
Liabilities		
Current liabilities:		
Accounts payable	33,620	-
Salaries and benefits payable	29,010	-
Unearned revenue	50,644	-
Compensated absences	8,888	-
Total current liabilities	122,162	-
Noncurrent liabilities:		
Other post employment benefits	55,065	-
Total liabilities	177,227	-
Net Assets		
Invested in capital assets	837,491	-
Unrestricted	1,868,689	207,940
Total net assets	\$ 2,706,180	207,940

See notes to financial statements.

Exhibit H

Waukeel Community School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities Non-major Enterprise Funds	Governmental Activities Internal Service Fund
Operating revenue:		
Local sources:		
Charges for services	\$ 3,146,530	675,867
Operating expenses:		
Support services:		
Administration services	38,647	-
Operation and maintenance of plant services	3,816	-
Transportation services	7,548	-
	50,011	-
Non-instructional programs:		
Food service operations:		
Depreciation	141,482	-
Other	2,707,518	-
	2,849,000	-
Other enterprise operations:		
Depreciation	1,515	-
Other	862,483	644,205
	863,998	644,205
Total operating expenses	3,763,009	644,205
Operating income (loss)	(616,479)	31,662
Non-operating revenues:		
Interest on investments	2,266	-
Contributions	3,700	-
State sources	23,939	-
Federal sources	653,522	-
Total non-operating revenues	683,427	-
Income before transfers	66,948	31,662
Transfer in	140,379	-
Change in net assets	207,327	31,662
Net assets beginning of year	2,498,853	176,278
Net assets end of year	\$ 2,706,180	207,940

See notes to financial statements.

Waukee Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities Non-major Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 2,303,197	-
Cash received from miscellaneous operating activities	832,883	676,458
Cash payments to employees for services	(2,014,139)	(644,205)
Cash payments to suppliers for goods or services	(1,408,868)	-
Net cash provided (used) by operating activities	(286,927)	32,253
Cash flows from non-capital financing activities		
Contributions - noncapital	3,700	-
Transfers in	140,379	-
State grants received	23,939	-
Federal grants received	500,079	-
Net cash provided by non-capital financing activities	668,097	-
Cash flows from capital and related financing activities		
Acquisition of capital assets	(18,994)	-
Net cash used by capital and related financing activities	(18,994)	-
Cash flows from investing activities:		
Interest on investments	2,266	-
Net increase in cash and cash equivalents	364,442	32,253
Cash and cash equivalents at beginning of year	1,591,796	175,609
Cash and cash equivalents at end of year	\$ 1,956,238	207,862
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (616,479)	31,662
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Commodities used	153,443	-
Depreciation	142,997	-
Decrease (Increase) in accounts receivable	(17,248)	591
(Increase) in inventories	(6,275)	-
(Decrease) in accounts payable	(11,740)	-
Increase in salaries and benefits payable	29,010	-
Increase in unearned revenue	6,798	-
Increase in compensated absences payable	4,862	-
Increase in other post employment benefits payable	27,705	-
Net cash provided (used) by operating activities	\$ (286,927)	32,253
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:		
Current assets:		
Cash and investments	\$ 1,956,238	207,862
Cash and cash equivalents at year end	\$ 1,956,238	207,862

Non-cash investing, capital and financing activities:

During the year ended June 30, 2010, the District received federal commodities valued at \$153,433

See notes to financial statements.

Exhibit J

**Waukee Community School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010**

	<u>Private Purpose Trust</u>	<u>Scholarship</u>
Assets		
Cash and pooled investments	\$	229,315
Total assets		<u>229,315</u>
Liabilities		
Accounts payable		-
Other payables		<u>-</u>
Total liabilities		<u>-</u>
Net assets		
Assets held in trust for scholarships	\$	<u><u>229,315</u></u>

See notes to financial statements.

Exhibit K

Waukee Community School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
Year Ended June 30, 2010

	Private Purpose Trust
	Scholarship
Additions:	
Local sources:	
Interest	\$ 9,846
Deductions:	
Instruction:	
Services	10,000
Other	2,992
Total expenditures	12,992
Change in net assets	(3,146)
Net assets beginning of year	232,461
Net assets end of year	\$ 229,315

See notes to financial statements.

(1) **Summary of Significant Accounting Policies**

The Waukee Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the city of Waukee, Iowa; portions of the cities of West Des Moines, Clive and Urbandale, and the agricultural territory in Dallas County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Waukee Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. Waukee Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Dallas County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds.

Fund accounting - The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The District has the following funds:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund: The General Fund accounts for all sources used to finance District operation and maintenance, except those required to be accounted for in another fund.

Debt Service Fund: The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

Capital Projects Fund: The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The other governmental funds of the District are considered non-major and are as follows:

Special Revenue Funds: The Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specific purposes. These funds consist of the following:

Student Activity Funds: This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extra-curricular or co-curricular activities.

Management Fund: This fund is authorized by Iowa Code Section 298.4 and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

Physical Plant and Equipment Levy (PEEL) Fund: This fund is authorized by Iowa Code 298.2 and accounts for transactions related to the improvement of facilities and grounds, construction of school houses, certain equipment expenditures and other expenditures authorized in Iowa Code 298.3.

Proprietary Fund Types: Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows. The following are the District's proprietary funds:

Enterprise Funds: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the District has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

The following enterprise funds of the District are considered non-major:

School Nutrition Fund: This fund accounts for transactions related to the school lunch, breakfast and summer food programs authorized by Iowa Code 283A.

Daycare Fund: This fund accounts for transactions for before and after school child care and summer child care programs authorized by Iowa Code 298A.12 and 279.49.

Community Education Fund: This fund accounts for transactions for facilities and services to provide further education opportunities to the local area.

Internal Service Funds: The internal service funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District has the following internal service funds:

Self-Insurance Fund: This fund accounts for transactions for self-insured dental insurance received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurance.

Flexible benefits: This fund accounts for transactions for certain benefits available to District employees in which the District is responsible for paying all premiums or costs specified by the employee.

Fiduciary Fund Types: Fiduciary funds account for assets held by the District in a trustee or agency capacity for the benefit of others and cannot be used to support District activities. The District has the following fiduciary fund type:

Private Purpose Trust Fund: This fund accounts for assets held by the District under trust agreements with restrictions of income earned to be used to benefit individuals through scholarship awards.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

All proprietary funds of the District apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investments in the Iowa Schools Joint Investment Trust and IPAS Education, which are valued at amortized cost, and non-negotiable certificates of deposit, which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2008 assessed property valuations; is for the tax accrual period July 1, 2009 through June 30, 2010 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2009.

Interfund Receivables and Payables – During the course of its operations, the District may have certain transactions between funds or pooled cash balances. At June 30, 2010 there were no interfund receivable or payable amounts to report.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Waukeee Community School District
Notes to Financial Statements
Year Ended June 30, 2010

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 2,500
Buildings	2,500
Improvements other than buildings	2,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,500

Capital assets (with the exception of land and construction in progress, which are not depreciated) are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	5-20 years

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred and Unearned Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of the succeeding year's property tax receivable.

Unearned revenue on the Statement of Net Assets consists of the succeeding year's property tax receivable that will not be recognized as revenue until the year for which it is levied and other unearned proceeds.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2010. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules - Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. During the year ended June 30, 2010, expenditures in the instruction, non-instruction and other expenditures functional areas exceeded the amount budgeted.

(2) **Cash and Pooled Investments**

As of June 30, 2010, the carrying amount of the District's bank deposits and pooled investments totaled \$41,145,530 with actual bank balances of \$3,062,475 and investment balances of \$38,083,055. Of the bank balances, \$500,000 was covered by federal depository insurance and \$2,562,475 was collateralized by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2010, the District had investments in the following:

Type	Amortized Cost/Fair Value
IPASeducation	\$ 16,949,306
Money Market Mutual Fund	20,924,749
Negotiable Certificates of Deposit	209,000
	<u>\$ 38,083,055</u>

The investments in the Iowa Schools Joint Investment Trust and IPASeducation are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The negotiable certificates of deposit and money market mutual fund are stated at fair value.

Credit risk. The investments in the Iowa Schools Joint Investment Trust were rated Aaa by Moody's Investors Service. The fair value of the District's position in these programs is the same as the value of the program shares. The investments in IPASeducation and the money market mutual fund are unrated.

(3) **Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2010 is as follows:

Transfer to	Transfer from	Amount
Debt Service Fund	Capital Projects Fund	\$ 3,162,562
Debt Service Fund	Special Revenue:	
	Physical Plant and Equipment Levy	1,853,919
Proprietary Fund:		
Community Education	General Fund	140,379
		<u>\$ 5,156,860</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2010

(4) Capital Assets

Capital assets activity for the year ended June 30, 2010 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,510,945	-	-	5,510,945
Construction in progress	8,425,868	36,746,055	5,898,088	39,273,835
Total capital assets not being depreciated	13,936,813	36,746,055	5,898,088	44,784,780
Capital assets being depreciated:				
Buildings	102,614,206	5,898,088	-	108,512,294
Improvements other than buildings	4,151,075	1,381,418	-	5,532,493
Furniture and equipment	4,006,375	1,425,505	-	5,431,880
Total capital assets being depreciated	110,771,656	8,705,011	-	119,476,667
Less accumulated depreciation for:				
Buildings	13,023,263	2,170,245	-	15,193,508
Improvements other than buildings	1,712,838	247,143	-	1,959,981
Furniture and equipment	1,727,093	533,286	-	2,260,379
Total accumulated depreciation	16,463,194	2,950,674	-	19,413,868
Total capital assets being depreciated, net	94,308,462	5,754,337	-	100,062,799
Governmental activities capital assets, net	\$ 108,245,275	42,500,392	5,898,088	144,847,579
Business type activities:				
Furniture and equipment	\$ 1,802,118	18,994	1,562	1,819,550
Less accumulated depreciation	840,624	142,997	1,562	982,059
Business-type activities capital assets, net	\$ 961,494	(124,003)	-	837,491

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 2,611,347
Special ed	1,475
Other	1,475

Support services:

Student services	295
Instructional staff services	27,147
Administration	73,767
Operation and maintenance of plant	53,112
Transportation	885

2,769,503

Unallocated	181,171
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Total depreciation expense - governmental activities	\$ 2,950,674
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Business type activities:

Food services	\$ 141,482
Community Daycare	1,515
	\$ 142,997

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2010

(5) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2010 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Capital loan notes	\$ 11,195,000	-	1,430,000	9,765,000	1,480,000
Revenue bonds	13,925,000	-	2,570,000	11,355,000	2,675,000
General obligation bonds	105,380,000	18,310,000	22,685,000	101,005,000	4,560,000
Early retirement	512,483	158,124	108,917	561,690	122,854
Other post employment benefits payable	504,640	510,543	-	1,015,183	-
Compensated absences	153,936	36,562	-	190,498	190,498
	<u>\$ 131,671,059</u>	<u>19,015,229</u>	<u>26,793,917</u>	<u>123,892,371</u>	<u>9,028,352</u>
Business type activities:					
Other post employment benefits	\$ 27,360	27,705	-	55,065	-

Capital Loan Notes Payable

Details of the District's June 30, 2010 capital loan note indebtedness are as follows:

Capital Loan Note of February 1, 2006				
Year ended June 30,	Rates	Principal	Interest	Total
2011	3.50%	\$ 1,480,000	373,469	1,853,469
2012	3.625%	1,535,000	321,669	1,856,669
2013	3.750%	1,590,000	266,025	1,856,025
2014	4.000%	1,655,000	206,400	1,861,400
2015	4.000%	1,720,000	140,200	1,860,200
2016	4.000%	1,785,000	71,400	1,856,400
Total		<u>\$ 9,765,000</u>	<u>1,379,163</u>	<u>11,144,163</u>

Revenue Bonds

Details of the District's June 30, 2010 Local Option Sales and Services Tax Revenue Bond indebtedness is as follows:

LOSST Revenue Bond of January 1, 2007				
Year ended June 30,	Rates	Principal	Interest	Total
2011	4.25%	\$ 2,675,000	482,588	3,157,588
2012	4.250%	2,780,000	368,900	3,148,900
2013	4.250%	2,890,000	250,750	3,140,750
2014	4.250%	3,010,000	127,926	3,137,926
Total		<u>\$ 11,355,000</u>	<u>1,230,164</u>	<u>12,585,164</u>

The statewide sales, services and use tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenue received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District.

The resolution providing for the issuance of the local option sales and services tax revenue bonds includes the following provisions:

- a) \$1,890,000 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2010

(5) Long-Term Liabilities (continued from previous page)

- b) All proceeds from the local option sales and services tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all of the revenue bond provisions during the year ended June 30, 2010.

General Obligation Bonds

Details of the District's June 30, 2010 general obligation bonded indebtedness are as follows:

June 1, 2004 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2011	3.500%	\$ 110,000	374,750	484,750
2012	4.000%	105,000	370,900	475,900
2013	4.000%	100,000	366,700	466,700
2014	4.000%	105,000	362,700	467,700
2015	3.800%	110,000	358,500	468,500
2016	3.900%	115,000	354,320	469,320
2017	4.000%	110,000	349,835	459,835
2018	4.100%	115,000	345,435	460,435
2019	4.150%	120,000	340,720	460,720
2020	4.300%	315,000	335,740	650,740
2021	4.400%	315,000	322,195	637,195
2022	4.400%	1,480,000	308,335	1,788,335
2023	4.400%	1,585,000	243,215	1,828,215
2024	4.500%	3,855,000	173,475	4,028,475
Subtotal		8,540,000	4,606,820	13,146,820

February 1, 2005 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2011	3.250%	225,000	164,100	389,100
2012	3.150%	300,000	156,788	456,788
2013	3.300%	300,000	147,337	447,337
2014	3.400%	300,000	137,438	437,438
2015	3.500%	300,000	127,237	427,237
2016	3.600%	300,000	116,738	416,738
2017	3.700%	325,000	105,937	430,937
2018	3.800%	325,000	93,913	418,913
2019	3.900%	325,000	81,562	406,562
2020	3.950%	325,000	68,888	393,888
2021	4.000%	325,000	56,050	381,050
2022	4.050%	350,000	43,050	393,050
2023	4.100%	350,000	28,875	378,875
2024	4.150%	350,000	14,525	364,525
Subtotal		4,400,000	1,342,438	5,742,438

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2010

(5) Long-Term Liabilities (continued from previous page)
General Obligation Bonds (continued from previous page)

March 1, 2005 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2011	3.450%	575,000	139,553	714,553
2012	3.450%	570,000	119,715	689,715
2013	3.450%	680,000	100,050	780,050
2014	3.450%	705,000	76,590	781,590
2015	3.450%	745,000	52,267	797,267
2016	3.450%	770,000	26,565	796,565
Subtotal		4,045,000	514,740	4,559,740

July 1, 2006 Refunding Bond Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2011	4.25%	150,000	167,025	317,025
2012	4.25%	125,000	160,650	285,650
2013	4.25%	305,000	155,338	460,338
2014	4.25%	320,000	142,375	462,375
2015	4.25%	200,000	128,775	328,775
2016	4.25%	230,000	120,275	350,275
2017	4.25%	855,000	110,500	965,500
2018	4.25%	855,000	74,162	929,162
2019	4.25%	890,000	37,825	927,825
Subtotal		3,930,000	1,096,925	5,026,925

April 1, 2008 Refunding Bond Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2011	3.250%	325,000	233,838	558,838
2012	3.250%	370,000	223,275	593,275
2013	3.500%	750,000	211,250	961,250
2014	3.500%	785,000	185,000	970,000
2015	3.500%	930,000	157,525	1,087,525
2016	3.750%	945,000	124,975	1,069,975
2017	3.500%	965,000	89,538	1,054,538
2018	3.625%	970,000	55,762	1,025,762
2019	4.000%	515,000	20,600	535,600
Subtotal		6,555,000	1,301,763	7,856,763

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2010

(5) Long-Term Liabilities (continued from previous page)
General Obligation Bonds (continued from previous page)

April 1, 2008 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2011	4.500%	265,000	317,250	582,250
2012	4.500%	275,000	305,326	580,326
2013	4.500%	285,000	292,950	577,950
2014	4.500%	300,000	280,126	580,126
2015	4.500%	315,000	266,626	581,626
2016	4.500%	325,000	252,450	577,450
2017	4.500%	340,000	237,826	577,826
2018	4.500%	355,000	222,526	577,526
2019	4.500%	375,000	206,550	581,550
2020	4.500%	390,000	189,676	579,676
2021	4.500%	410,000	172,126	582,126
2022	4.500%	425,000	153,676	578,676
2023	4.500%	445,000	134,550	579,550
2024	4.500%	465,000	114,526	579,526
2025	4.500%	485,000	93,600	578,600
2026	4.500%	510,000	71,776	581,776
2027	4.500%	530,000	48,826	578,826
2028	4.500%	555,000	24,976	579,976
Subtotal		7,050,000	3,385,362	10,435,362

May 1, 2009 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2011	3.000%	1,850,000	2,110,581	3,960,581
2012	3.000%	1,150,000	2,055,081	3,205,081
2013	3.000%	1,200,000	2,020,581	3,220,581
2014	4.000%	1,285,000	1,984,581	3,269,581
2015	3.500%	1,335,000	1,933,181	3,268,181
2016	3.500%	1,385,000	1,886,456	3,271,456
2017	4.000%	1,445,000	1,837,981	3,282,981
2018	4.000%	1,500,000	1,780,181	3,280,181
2019	4.000%	1,560,000	1,720,181	3,280,181
2020	4.000%	1,560,000	1,657,781	3,217,781
2021	4.000%	1,625,000	1,595,381	3,220,381
2022	4.000%	1,690,000	1,530,381	3,220,381
2023	4.125%	1,765,000	1,462,781	3,227,781
2024	4.375%	1,840,000	1,389,975	3,229,975
2025	4.625%	6,320,000	1,309,475	7,629,475
2026	4.625%	6,620,000	1,017,175	7,637,175
2027	5.000%	6,940,000	711,000	7,651,000
2028	5.000%	7,280,000	364,000	7,644,000
Subtotal		48,350,000	28,366,753	76,716,753

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2010

(5) Long-Term Liabilities (continued from previous page)
General Obligation Bonds (continued from previous page)

Refunding Bond Issue Series 2009B dated July 23, 2009				
Year ended June 30,	Rates	Principal	Interest	Total
2011	3.850%	140,000	86,858	226,858
2012	3.850%	145,000	81,468	226,468
2013	3.850%	150,000	75,885	225,885
2014	3.850%	150,000	70,110	220,110
2015	3.850%	150,000	64,335	214,335
2016	3.850%	155,000	58,560	213,560
2017	3.850%	200,000	52,592	252,592
2018	3.850%	205,000	44,892	249,892
2019	4.000%	400,000	37,000	437,000
2020	4.000%	525,000	21,000	546,000
Subtotal		2,220,000	592,700	2,812,700

Refunding Bond Issue Series 2010 dated April 1, 2010				
Year ended June 30,	Rates	Principal	Interest	Total
2011	2.000%	920,000	570,792	1,490,792
2012	2.000%	1,060,000	470,850	1,530,850
2013	3.000%	470,000	449,650	919,650
2014	2.000%	480,000	435,550	915,550
2015	2.000%	490,000	425,950	915,950
2016	3.000%	505,000	416,150	921,150
2017	3.000%	685,000	401,000	1,086,000
2018	3.000%	765,000	380,450	1,145,450
2019	3.000%	1,090,000	357,500	1,447,500
2020	3.250%	2,380,000	324,800	2,704,800
2021	3.500%	3,045,000	247,450	3,292,450
2022	3.500%	2,005,000	140,875	2,145,875
2023	3.500%	2,020,000	70,700	2,090,700
Subtotal		15,915,000	4,691,717	20,606,717

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2010

(5) Long-Term Liabilities (continued from previous page)
General Obligation Bonds (continued from previous page)

Totals			
Year ended June 30,	Principal	Interest	Total
2011	4,560,000	4,164,747	8,724,747
2012	4,100,000	3,944,053	8,044,053
2013	4,240,000	3,819,741	8,059,741
2014	4,430,000	3,674,470	8,104,470
2015	4,575,000	3,514,396	8,089,396
2016	4,730,000	3,356,489	8,086,489
2017	4,925,000	3,185,209	8,110,209
2018	5,090,000	2,997,321	8,087,321
2019	5,275,000	2,801,938	8,076,938
2020	5,495,000	2,597,885	8,092,885
2021	5,720,000	2,393,202	8,113,202
2022	5,950,000	2,176,317	8,126,317
2023	6,165,000	1,940,121	8,105,121
2024	6,510,000	1,692,501	8,202,501
2025	6,805,000	1,403,075	8,208,075
2026	7,130,000	1,088,951	8,218,951
2027	7,470,000	759,826	8,229,826
2028	7,835,000	388,976	8,223,976
Total	\$ 101,005,000	45,899,218	146,904,218

Advance Refundings

On July 23, 2010, the District issued refunding bonds in the amount of \$2,395,000 to advance the refund to March 1, 2001 General Obligation Bonds. These 2001 existing bonds were called by the District on July 24, 2010 and paid in their entirety.

On April 1, 2010, the District issued refunding bonds in the amount of \$15,915,000 to advance refund three general obligation bond issues dated April 1, 2001, November 15, 2002 and June 1, 2003. These three existing bond issued were called by the District on June 1, 2010 and paid in their entirety.

Early Retirement

The District offers a voluntary early retirement plan to its employees. Eligible employees must be at least 55 years old on June 30 and employees must have completed 10 years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education.

The early retirement incentive for each eligible employee is equal to 50% of the current year's salary. In addition, the District will pay an amount equal to \$4,500 per year towards the cost of medical insurance until the employee becomes eligible for Medicare. The early retirement cash benefits will be paid in July following the start of retirement into a tax shelter annuity of the employer's choice. Early retirement benefits are paid by the Special Revenue, Management Levy Fund.

At June 30, 2010, the District has obligations to 37 participants with a total liability of \$561,690. Actual early retirement expenditures for the year ended June 30, 2010 totaled \$108,917. The long-term portion of early retirement is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

(6) Operating Lease

The District is obligated under an equipment lease for one truck. This lease is accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations and therefore are not included as capital assets or long-term liabilities in the District-wide financial statements. The agreement provides for monthly lease payments of \$473 for the truck.

The total annual lease payments under the lease agreement are as follows:

Year ending June 30,	Truck Lease
2011	\$ 5,672
2012	5,672
2013	473
	<u>\$ 11,817</u>

The total payments under the lease agreement for the year ended June 30, 2010 were \$5,203.

(7) Other Post-Employment Benefits (OPEB)

Plan Description - The District operates a retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 700 active and 30 retired members in the plan. Participants must be age 55 or older at retirement and must have been employed full time by the District for a minimum of 15 consecutive years prior to the retirement year.

The medical/prescription drug coverage provides eligible retirees with health care coverage through one of two medical plans offered through Wellmark: Blue Access HMO and Alliance Select PPO. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 628,000
Interest on net OPEB obligation	26,600
Adjustment to annual required contribution	<u>(20,352)</u>
Annual OPEB cost	634,248
Contributions made	<u>(96,000)</u>
Increase in net OPEB obligation	538,248
Net OPEB obligation beginning of year	<u>532,000</u>
Net OPEB obligation end of year	<u>\$ 1,070,248</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2010.

For the year ended June 30, 2010, the District contributed \$96,000. Retiree and active members receiving benefits contributed \$41,401 through their required contribution based on which plan the employee belongs to and whether single or family coverage is elected.

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2010

(7) *Other Post-Employment Benefits (OPEB)- (continued from previous page)*

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2010 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 634,248	15.14%	\$ 1,070,248

Funded Status and Funding Progress - As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$4.313 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.313 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$30,666,502, and the ratio of the UAAL to covered payroll was 14.1%. As of June 30, 2010, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2008 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumption includes a 5% discount rate based on the District's funding policy. The projected annual medical trend rate is 11%. The ultimate medical trend rate is 6%. The medical trend rate is reduced 0.5% each year until reaching the 6% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

The District pays an amount equal to the *single* premium for medical insurance that is current during the first year of retirement. For retirees who retired after June 30, 2006, increases in the single premium in future years are the responsibility of the retiree. The District pays the increases in the premium for pre-June 30, 2006 retirees. The subsidy is available for each year until the retiree becomes eligible for Medicare. Below are the explicit subsidies paid by the District.

(7) Other Post-Employment Benefits (OPEB)- (continued from previous page)

Date Retired	HMO	PPO
Through 6/30/06	100% of current premium	100% of current premium
7/1/06 thru 6/30/07	\$ 265.05	\$ 331.94
7/1/07 thru 6/30/08	\$ 261.96	\$ 339.45

Per capita health claim costs are developed by age adjusting the premiums shown above.
The age 60 per capita health claim costs for retirees and spouses are as follows:

Per Capita Cost	HMO	PPO
Premium	\$ 6,810.95	\$ 8,825.69

The assumed per capita health claim costs are adjusted to reflect expected increases related to age.
The increase in per capita health claim costs related to age are assumed to be the following:

Age	Increase	Age	Increase
42-46	3.19%	65-69	3.00%
47-51	3.89%	70-74	2.50%
52-56	3.58%	75-79	2.00%
57-61	4.52%	80-84	1.00%
62-64	5.06%	85-89	0.05%

The salary increase rate was assumed to be 4% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(8) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.30% of their annual covered salary and the District is required to contribute 6.65% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2010, 2009 and 2008 were \$2,168,869, \$1,888,530, and \$1,542,080, respectively, equal to the required contributions for each year.

(9) Risk Management

Waukee Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. During the year ended June 30, 2010, there were no significant reductions in coverage. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) Risk Management (continued from previous page)

Partial Self-Funded Dental Insurance Plan

The District began a partial self-funded dental insurance plan during the year ended June 30, 2005. The plan is administered through a service agreement with Seabury and Smith. The District assumes liability for a maximum of the first \$1,000 of dental claims for each employee who participates in the plan. Employees participating in the plan are charged a premium each year to cover any estimated costs of the plan. The District reports the plan in the Internal Service, Self-Funded Dental Plan Fund. There was no claims liability at June 30, 2010.

A reconciliation of changes in the aggregate liabilities for claims for year ending is as follows:

	2010	2009
Unpaid claims at beginning of year	\$ -	-
Incurred claims	205,582	184,370
Payment	205,582	184,370
Unpaid claims at end of year	<u>\$ -</u>	<u>-</u>

(10) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$2,306,290 for the year ended June 30, 2010 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

(11) Construction Commitments

The District entered into contracts totaling \$43,791,851 for the construction of new buildings and improvements. As of June 30, 2010, costs of \$39,273,835 had been incurred against the contracts. The balance of \$4,518,016 remaining at June 30, 2010 will be paid as work on the projects progresses.

Project	Contract Amount	Costs through June 30, 2010
South Middle School	\$ 18,829,000	17,335,183
Shuler Elementary	10,253,000	9,528,700
Waukee Elementary	10,450,000	9,566,696
Wellness Center	279,851	223,265
Theater Arts Center	3,980,000	2,619,991
	<u>\$ 43,791,851</u>	<u>39,273,835</u>

(12) Disaggregation of Receivables and Payables

Receivables and payables are disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the next year.

Required Supplementary Information

Waukee Community School District
Schedule of Funding Progress for the Retiree Health Plan
Year ended June 30, 2010

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	July 1, 2008	\$ -	\$ 4,313,000	\$ 4,313,000	0.0%	\$ 33,169,000	13.0%
2010	July 1, 2008	-	4,313,000	4,313,000	0.0%	30,666,502	14.1%

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

Waukee Community School District
Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Balances
Budget and Actual - All Governmental Funds and Proprietary Funds
Required Supplementary Information
Year ended June 30, 2010

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original and Final	Final to Actual Variance- Positive (Negative)
Revenues:					
Local sources	\$ 45,375,838	3,152,496	48,528,334	43,942,391	4,585,943
State sources	21,558,200	23,939	21,582,139	30,175,089	(8,592,950)
Federal sources	4,132,391	653,522	4,785,913	845,000	3,940,913
Total revenues	71,066,429	3,829,957	74,896,386	74,962,480	(66,094)
Expenditures:					
Instruction	36,776,509	-	36,776,509	31,250,000	(5,526,509)
Support services	14,840,277	50,011	14,890,288	27,160,000	12,269,712
Noninstructional programs	-	3,712,998	3,712,998	3,150,000	(562,998)
Other expenditures	79,545,517	-	79,545,517	56,230,897	(23,314,620)
Total expenditures	131,162,303	3,763,009	134,925,312	117,790,897	(17,134,415)
Excess (deficiency) of revenues over (under) expenditures	(60,095,874)	66,948	(60,028,926)	(42,828,417)	(17,200,509)
Other financing sources, net	18,448,178	140,379	18,588,557	27,054,270	(8,465,713)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(41,647,696)	207,327	(41,440,369)	(15,774,147)	(25,666,222)
Balances beginning of year	73,525,622	2,498,853	76,024,475	47,668,985	28,355,490
Balances end of year	\$ 31,877,926	2,706,180	34,584,106	31,894,838	2,689,268

See accompanying independent auditor's report.

(1) Basis of Presentation

The District operates within the budget requirements for school districts as specified by state law and as prescribed by the Iowa Department of Management. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

For the fiscal year beginning July 1, a proposed budget is adopted by the Board and filed with the County Auditor no later than April 15. The budget is certified by the County Auditor to the Department of Management.

Once adopted, the budget can be amended by the Board. The amendment must be published and a public hearing conducted prior to the amendment. Any amendments must be certified to the County Auditor no later than May 31. The proposed expenditure budget is advertised in the local newspaper, together with a notice of public hearing.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for a budgeted governmental, enterprise and private purpose trust funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, non-instructional programs and other expenditures. During the year ended June 30, 2010, the District over-expended the instruction functional area by \$5,526,509, the non-instructional functional area by \$562,998 and the other expenditures functional area by \$23,314,620. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. Authorized expenditures cannot exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District's cost for that year plus the actual miscellaneous income received for that year plus the actual unspent balance from the preceding year. Appropriations, as adopted and amended, lapse at the end of the fiscal year.

The District is required by the Code of Iowa to budget for its share of media, education services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$2,306,290 for the year ended June 30, 2010.

Other Supplementary Information

Schedule 1

Waukee Community School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2010

	Special Revenue			
	Management	Student Activity	Physical Plant and Equipment Levy	Total
Assets				
Current Assets:				
Cash and pooled investments	\$ 1,621,530	537,874	3,316,586	5,475,990
Receivables:				
Property tax:				
Current year delinquent	5,181	-	29,668	34,849
Succeeding year	1,999,993	-	4,143,096	6,143,089
Accounts	-	1,639	-	1,639
Total assets	\$ 3,626,704	539,513	7,489,350	11,655,567
Liabilities and Fund Balances				
Current Liabilities:				
Accounts payable	\$ 8,872	28,741	-	37,613
Salaries and benefits payable	-	38,056	-	38,056
Early retirement payable	122,854	-	-	122,854
Deferred revenue:				
Succeeding year property tax	1,999,993	-	4,143,096	6,143,089
Total liabilities	<u>2,131,719</u>	<u>66,797</u>	<u>4,143,096</u>	<u>6,341,612</u>
Fund balances:				
Unreserved, undesignated	<u>1,494,985</u>	<u>472,716</u>	<u>3,346,254</u>	<u>5,313,955</u>
Total liabilities and fund balances	\$ 3,626,704	539,513	7,489,350	11,655,567

See accompanying independent auditor's report.

Schedule 2

Waukee Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year ended June 30, 2010

	Special Revenue			
	Management	Student Activity	Physical Plant and Equipment Levy	Total
Revenues:				
Local sources:				
Local tax:				
Property tax	\$ 990,940	-	3,922,059	4,912,999
Excise taxes	6,329	-	20,810	27,139
Other taxes	881	-	2,898	3,779
	998,150	-	3,945,767	4,943,917
Other local sources:				
Interest on investments	-	993	-	993
Student activities	-	634,644	-	634,644
Donations	-	62,886	-	62,886
Other local revenue	95,588	150,377	-	245,965
	95,588	848,900	-	944,488
	1,093,738	848,900	3,945,767	5,888,405
State sources:				
Revenue in lieu of taxes :				
Military credit	168	-	594	762
Total revenues	1,093,906	848,900	3,946,361	5,889,167
Expenditures:				
Current:				
Instruction:				
Regular instruction:				
Benefits	267,033	-	-	267,033
Services	-	-	1,193,563	1,193,563
	267,033	-	1,193,563	1,460,596
Co-curricular instruction:				
Benefits	-	2,084	-	2,084
Services	-	57,208	-	57,208
Supplies	-	693,615	-	693,615
Property	-	91,223	-	91,223
Other	-	24,873	-	24,873
	-	869,003	-	869,003
Total instruction	267,033	869,003	1,193,563	2,329,599

Schedule 2

Waukee Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year ended June 30, 2010

	Special Revenue			
	Management	Student Activity	Physical Plant and Equipment Levy	Total
<i>Continued from previous page</i>				
Expenditures:				
Current:				
Support Services:				
Student support:				
Benefits	10,790	-	-	10,790
Instructional staff support:				
Purchased services	4,316	-	-	4,316
	4,316	-	-	4,316
General administration:				
Benefits	8,632	-	-	8,632
	8,632	-	-	8,632
Building administration:				
Benefits	34,528	-	-	34,528
	34,528	-	-	34,528
Business administration:				
Benefits	8,632	-	-	8,632
Services	26,947	-	-	26,947
	35,579	-	-	35,579
Plant operation and maintenance:				
Benefits	60,424	-	-	60,424
Purchased services	212,966	-	-	212,966
	273,390	-	-	273,390
Total support services	367,235	-	-	367,235

Schedule 2

Waukee Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year ended June 30, 2010

	Special Revenue			
	Management	Student Activity	Physical Plant and Equipment Levy	Total
<i>Continued from previous page</i>				
Expenditures:				
Capital outlay:				
Other expenditures:				
Facilities acquisition:				
Purchased services	-	-	180,994	180,994
Property	-	-	669,553	669,553
	-	-	850,547	850,547
Total expenditures	634,268	869,003	2,044,110	3,547,381
Excess (deficiency) of revenues over (under) expenditures	459,638	(20,103)	1,902,251	2,341,786
Other financing uses:				
Operating transfers out	-	-	(1,853,919)	(1,853,919)
Total other financing uses	-	-	(1,853,919)	(1,853,919)
Excess (deficiency) of revenues over (under) expenditures and other financing uses	459,638	(20,103)	48,332	487,867
Fund balances beginning of year	1,035,347	492,819	3,297,922	4,826,088
Fund balances end of year	\$ 1,494,985	472,716	3,346,254	5,313,955

See accompanying independent auditor's report.

Waukeel Community School District
Combining Schedule of Net Assets
Proprietary Funds
June 30, 2010

	Business Type Activities				Governmental Activities		
	Nonmajor Enterprise Funds				Internal Service Funds		
	School Nutrition	Community Daycare	Community Education	Total	Flexible Benefits	Self-funded Dental Plan	Total
Assets							
Current assets:							
Cash and pooled investments	\$ 1,348,591	605,910	1,737	1,956,238	102,489	105,373	207,862
Receivables:							
Accounts	102	5,768	11,378	17,248	-	78	78
Inventories	66,732	5,698	-	72,430	-	-	-
Total current assets	1,415,425	617,376	13,115	2,045,916	102,489	105,451	207,940
Noncurrent assets:							
Capital assets:							
Equipment	1,800,692	18,858	-	1,819,550	-	-	-
Accumulated depreciation	(975,620)	(6,439)	-	(982,059)	-	-	-
Total noncurrent assets	825,072	12,419	-	837,491	-	-	-
Total assets	2,240,497	629,795	13,115	2,883,407	102,489	105,451	207,940
Liabilities							
Current liabilities:							
Accounts payable	27,498	5,962	160	33,620	-	-	-
Salaries and benefits payable	11,430	4,625	12,955	29,010	-	-	-
Unearned revenue	50,644	-	-	50,644	-	-	-
Compensated absences	3,766	3,713	1,409	8,888	-	-	-
Total current liabilities	93,338	14,300	14,524	122,162	-	-	-
Non-current liabilities:							
Other post employment benefits payable	38,122	16,943	-	55,065	-	-	-
Total liabilities	131,460	31,243	14,524	177,227	-	-	-
Net Assets							
Invested in capital assets	825,072	12,419	-	837,491	-	-	-
Unrestricted	1,283,965	586,133	(1,409)	1,868,689	102,489	105,451	207,940
Total net assets	\$ 2,109,037	598,552	(1,409)	2,706,180	102,489	105,451	207,940

See accompanying independent auditor's report

Waukee Community School District
Combining Schedule of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities				Governmental Activities		
	Nonmajor Enterprise Funds				Internal Service Funds		
	School Nutrition	Community Daycare	Community Education	Total	Flexible Benefits	Self-funded Dental Plan	Total
Operating revenue:							
Local sources:							
Charges for services	\$ 2,296,501	791,795	58,234	3,146,530	456,664	219,203	675,867
Operating expenses:							
Support services:							
Administration:							
Purchased services	8,678	9,442	20,527	38,647	-	-	-
	8,678	9,442	20,527	38,647	-	-	-
Operation and maintenance:							
Supplies	3,816	-	-	3,816	-	-	-
	3,816	-	-	3,816	-	-	-
Transportation:							
Purchased services	-	7,548	-	7,548	-	-	-
	-	7,548	-	7,548	-	-	-
	12,494	16,990	20,527	50,011	-	-	-
Non-instructional programs:							
Food service operations:							
Salaries	980,832	-	-	980,832	-	-	-
Benefits	324,920	-	-	324,920	-	-	-
Purchased services	94,002	-	-	94,002	-	-	-
Supplies	1,293,016	-	-	1,293,016	-	-	-
Other	14,748	-	-	14,748	-	-	-
Depreciation	141,482	-	-	141,482	-	-	-
	2,849,000	-	-	2,849,000	-	-	-
Other enterprise operations:							
Salaries	-	487,926	147,644	635,570	-	-	-
Benefits	-	105,122	29,272	134,394	438,623	205,582	644,205
Purchased services	-	-	1,647	1,647	-	-	-
Supplies	-	56,399	10,543	66,942	-	-	-
Other	-	20,699	3,231	23,930	-	-	-
Depreciation	-	1,515	-	1,515	-	-	-
	-	671,661	192,337	863,998	438,623	205,582	644,205
	2,849,000	671,661	192,337	3,712,998	438,623	205,582	644,205
Total operating expenses	2,861,494	688,651	212,864	3,763,009	438,623	205,582	644,205
Operating income (loss)	(564,993)	103,144	(154,630)	(616,479)	18,041	13,621	31,662

Waukeez Community School District
Combining Schedule of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities				Governmental Activities		
	Nonmajor Enterprise Funds				Internal Service Funds		
	School Nutrition	Community Daycare	Community Education	Total	Flexible Benefits	Self-funded Dental Plan	Total
<i>Continued from previous page</i>							
Non-operating revenues:							
Interest on investments	1,448	818	-	2,266	-	-	-
Contributions	-	-	3,700	3,700	-	-	-
State sources	23,939	-	-	23,939	-	-	-
Federal sources	490,937	-	9,142	500,079	-	-	-
Federal food commodities revenue	153,443	-	-	153,443	-	-	-
Total non-operating revenues	669,767	818	12,842	683,427	-	-	-
Income (loss) before transfers	104,774	103,962	(141,788)	66,948	18,041	13,621	31,662
Transfer in	-	-	140,379	140,379	-	-	-
Changes in net assets	104,774	103,962	(1,409)	207,327	18,041	13,621	31,662
Net assets beginning of year	2,004,263	494,590	-	2,498,853	84,448	91,830	176,278
Net assets end of year	\$ 2,109,037	598,552	(1,409)	2,706,180	102,489	105,451	207,940

See accompanying independent auditor's report.

Waukeg Community School District
Combining Schedule of Cash Flows
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities				Governmental Activities		
	Nonmajor Enterprise Funds				Internal Service Funds		
	School Nutrition	Community Daycare	Community Education	Total	Flexible Benefits	Self-funded Dental Plan	Total
Cash flows from operating activities:							
Cash received from sale of lunches and breakfasts	\$ 2,303,197	-	-	2,303,197	-	-	-
Cash received from miscellaneous operating activities	-	786,027	46,856	832,883	456,664	219,794	676,458
Cash payments to employees for services	(1,272,756)	(578,831)	(162,552)	(2,014,139)	(438,623)	(205,582)	(644,205)
Cash payments to suppliers for goods or services	(1,268,716)	(104,364)	(35,788)	(1,408,868)	-	-	-
Net cash provided (used) by operating activities	(238,275)	102,832	(151,484)	(286,927)	18,041	14,212	32,253
Cash flows from non-capital financing activities:							
Contributions	-	-	3,700	3,700	-	-	-
Transfers in	-	-	140,379	140,379	-	-	-
State grants received	23,939	-	-	23,939	-	-	-
Federal grants received	490,937	-	9,142	500,079	-	-	-
Net cash provided by non-capital financing activities	514,876	-	153,221	668,097	-	-	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(18,994)	-	-	(18,994)	-	-	-
Net cash used by capital and related financing activities	(18,994)	-	-	(18,994)	-	-	-
Cash flows from investing activities:							
Interest on investments	1,448	818	-	2,266	-	-	-
Net increase in cash and cash equivalents	259,055	103,650	1,737	364,442	18,041	14,212	32,253
Cash and cash equivalents at beginning of year	1,089,536	502,260	-	1,591,796	84,448	91,161	175,609
Cash and cash equivalents at end of year	\$ 1,348,591	605,910	1,737	1,956,238	102,489	105,373	207,862
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (564,993)	103,144	(154,630)	(616,479)	18,041	13,621	31,662
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Commodities used	153,443	-	-	153,443	-	-	-
Depreciation	141,482	1,515	-	142,997	-	-	-
Decrease (Increase) in accounts receivable	(102)	(5,768)	(11,378)	(17,248)	-	591	591
(Increase) in inventories	(577)	(5,698)	-	(6,275)	-	-	-
Increase (decrease) in accounts payable	(7,322)	(4,578)	160	(11,740)	-	-	-
Increase in salaries and benefits payable	11,430	4,625	12,955	29,010	-	-	-
Increase in unearned revenue	6,798	-	-	6,798	-	-	-
Increase in compensated absences payable	1,684	1,769	1,409	4,862	-	-	-
Increase in other post employment benefits payable	19,882	7,823	-	27,705	-	-	-
Net cash provided (used) by operating activities	\$ (238,275)	102,832	(151,484)	(286,927)	18,041	14,212	32,253
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:							
Current assets:							
Cash and investments	\$ 1,348,591	605,910	1,737	1,956,238	102,489	105,373	207,862
Cash and cash equivalents at year end	\$ 1,348,591	605,910	1,737	1,956,238	102,489	105,373	207,862

Non-cash investing, capital and financing activities:

During the year ended June 30, 2010, the District received federal commodities valued at \$153,443.

See accompanying independent auditor's report.

Waukee Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2010

Account	Balance beginning of Year	Revenues	Expenditures	Balance End of Year
<u>High School:</u>				
Alumni	\$ 12,040	-	-	12,040
Ambassadors	78	-	-	78
Annual	10,426	31,231	37,646	4,011
Art Club	671	2,332	1,125	1,878
Athletics	10,257	382,295	366,997	25,555
Auditorium	181	-	-	181
Baseball	6,431	6,657	6,759	6,329
Baseball/Softball Facility	23,923	-	13,659	10,264
Best Buddies	297	879	1,116	60
Boys Basketball	9,366	24,829	39,460	(5,265)
Boys Bowling	-	20	-	20
Boys Cross Country	1,853	2,875	1,678	3,050
Boys Golf	491	2,130	3,114	(493)
Boys Soccer	924	7,401	9,289	(964)
Boys Swimming	10	-	-	10
Boys Track	1,818	9,253	9,350	1,721
Cheerleaders	14,963	12,460	14,123	13,300
Class of 2009	5,202	-	4,615	587
Class of 2010	6,603	5,450	8,313	3,740
Class of 2011	8,575	5,417	8,207	5,785
Class of 2012	4,440	4,745	1,061	8,124
Class of 2013	-	5,190	-	5,190
Dance/Drill Team	17,035	22,868	16,933	22,970
Drama	3,386	1,325	3,743	968
Drumline	73	-	-	73
Earth Club	445	737	757	425
Electrathon	239	1,100	1,046	293
FCCLA Club	443	4,677	3,938	1,182
Flag Team/Color Guard	-	1,075	417	658
Football	16,646	43,257	58,400	1,503
German/International Club	593	784	666	711
Girls Basketball	2,527	9,438	9,150	2,815
Girls Bowling	286	918	30	1,174
Girls Cross Country	520	4,225	4,198	547
Girls Golf	909	4,345	5,022	232
Girls Soccer	5,248	7,549	6,975	5,822
Girls Tennis	-	600	-	600
Girls Track	-	7,889	8,857	(968)
Student Management	3,533	4,054	3,532	4,055
HS Musical	-	8,044	7,544	500
Instrumental Music	853	457	681	629
Interest	53,060	3,162	2,169	54,053
Literacy magazine	350	725	913	162
National Honor Society	24	-	-	24
Pep Club	167	-	-	167
Prom	-	3,776	2,000	1,776
SADD	436	-	-	436
SELF Room	1,508	3,455	1,941	3,022
Skills VICA	672	-	-	672
Softball	3,828	7,174	7,340	3,662
Speech	1,461	4,415	3,113	2,763

Waukee Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2010

Account	Balance beginning of Year	Revenues	Expenditures	Balance End of Year
Student Council	939	7,451	3,578	4,812
Vocal Music	299	12,603	10,987	1,915
Volleyball	17,918	29,579	36,737	10,760
Weight Room	305	-	241	64
Wrestling	523	9,517	6,310	3,730
Youth for Safe Schools	380	-	-	380
<u>Prairieview:</u>				
Art Club	2,069	857	991	1,935
Athletics	12,111	25,555	22,993	14,673
Concessions	292	-	-	292
Dance Team	1,301	-	-	1,301
Drama	2,514	2,555	898	4,171
Drama Troupe	2,865	32	595	2,302
Student Management	8,915	8,637	4,399	13,153
Student Council	810	-	-	810
Swing Choir	471	-	-	471
Yearbook	3,631	15,130	11,590	7,171
<u>Middle School:</u>				
6th Grade	130	-	-	130
7th Grade	135	-	-	135
8th Grade	204	-	-	204
Athletic Resale	1,931	-	-	1,931
Concessions	1,612	-	-	1,612
Drama/Speech/Musical	8,506	1,163	2,308	7,361
Student Management	56,880	38,498	41,915	53,463
Instrumental Music	2,103	897	1,227	1,773
MS SELF	550	617	21	1,146
Swing Choir	8,386	1,823	4,262	5,947
Yearbook	19,777	15,111	11,879	23,009
<u>Elementary:</u>				
BV Instrumental Music	89	-	-	89
BV Student Management	17,355	1,977	3,759	15,573
BV Student Council	2,627	-	-	2,627
Eason Fine Arts	6,811	-	132	6,679
Eason Instrumental Music	300	-	-	300
Eason Student Management	13,566	2,312	3,677	12,201
Eason Playground	2,823	-	-	2,823
Eason Student Council	2,150	-	-	2,150
MG Student Council	130	122	-	252
MG Student Management	2,023	1,419	707	2,735
WE Instrumental Music	5	-	-	5
WE Fine Art	165	-	-	165
WE Student Management	28,465	18,237	1,641	45,061
WE Playground	2,710	-	-	2,710
WE Student Council	5,617	4,920	7,201	3,336
WH Instrumental Music	132	-	-	132
WH Student Management	19,503	675	15,078	5,100
Total	\$ 492,819	848,900	869,003	472,716

See accompanying independent auditor's report.

Waukee Community School District
Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Eight Years

	Modified Accrual Basis							
	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:								
Local sources:								
Local tax	\$ 40,946,587	38,492,214	32,425,053	26,907,371	21,898,342	18,724,901	14,220,453	12,501,101
Tuition	1,053,978	1,134,189	1,175,066	1,209,866	1,267,893	1,176,813	1,258,916	1,274,538
Other	3,375,273	2,185,922	2,432,638	2,604,416	1,935,241	1,383,507	914,311	959,469
State sources	21,558,200	23,361,214	21,804,292	18,700,021	16,110,389	13,424,393	10,926,968	9,691,405
Federal sources	4,132,391	1,021,619	479,500	485,203	437,201	407,377	254,243	207,125
Total	\$ 71,066,429	66,195,158	58,316,549	49,906,877	41,649,066	35,116,991	27,574,891	24,633,638
Expenditures:								
Instruction:								
Regular	\$ 27,511,695	23,090,642	20,040,299	16,944,785	14,497,759	12,045,774	10,074,061	9,180,177
Special	5,640,679	5,611,287	4,926,113	4,233,291	3,387,132	3,061,467	2,679,023	2,303,872
Other	3,624,135	2,932,365	2,389,598	2,147,056	2,096,796	1,896,088	1,443,770	1,354,138
Support services:								
Student	2,033,862	1,981,122	2,518,458	1,413,137	1,289,559	1,274,069	983,108	927,615
Instructional staff	2,604,731	2,372,731	2,450,310	1,631,053	1,393,248	1,475,734	1,331,528	604,992
Administration	3,668,870	4,145,264	3,639,159	2,909,779	2,711,319	2,270,519	1,965,351	1,515,229
Operation/maintenance of plant	4,188,307	3,778,765	3,829,770	3,023,278	2,764,387	2,114,247	1,584,289	1,567,336
Transportation	2,344,507	2,084,532	1,981,897	1,853,584	1,590,878	1,097,493	874,909	762,357
Non-instructional programs	-	-	29,955	265	-	-	369	352
Other expenditures:								
Capital outlay:								
Facilities acquisition	44,776,662	12,287,811	13,080,340	21,356,585	5,593,186	11,528,812	16,567,624	5,343,943
Debt Service:								
Principal	26,685,000	8,845,000	13,215,000	3,100,000	2,230,000	8,335,000	2,290,000	2,090,000
Interest and other charges	5,777,565	3,593,137	3,106,109	3,170,874	2,591,550	2,477,557	2,178,279	1,900,449
AEA flowthrough	2,306,290	1,922,343	1,696,590	1,434,517	1,198,063	995,297	823,781	770,245
Total	\$ 131,162,303	72,644,999	72,903,598	63,218,204	41,343,877	48,572,057	42,796,092	28,320,705

See accompanying independent auditor's report.



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WAUKEE COMMUNITY SCHOOL DISTRICT

NET ASSETS BY COMPONENT

Last Eight Fiscal Years
(Unaudited)

Year ended June 30,	2010	2009	2008	2007	2006	2005	2004	2003 *
Governmental activities:								
Invested in capital assets, net of related debt	\$ 33,034,650	\$ 29,171,718	\$ 18,331,620	\$ 14,051,616	\$ 10,019,928	\$ 8,282,400	\$ 6,054,028	\$ 3,651,585
Restricted	11,605,994	4,452,801	9,922,010	7,820,732	6,441,728	2,627,733	729,161	947,466
Unrestricted	7,493,216	15,528,737	8,112,790	4,815,232	1,594,739	705,403	1,162,141	1,141,673
Total governmental activities net assets	<u>\$ 52,133,860</u>	<u>\$ 49,153,256</u>	<u>\$ 36,366,420</u>	<u>\$ 26,687,580</u>	<u>\$ 18,056,395</u>	<u>\$ 11,615,536</u>	<u>\$ 7,945,330</u>	<u>\$ 5,740,724</u>
Business type activities:								
Invested in capital assets	\$ 837,491	\$ 961,494	\$ 1,073,417	\$ 512,885	\$ 578,088	\$ 548,174	\$ 377,917	\$ 403,898
Unrestricted	1,868,689	1,537,359	1,151,127	948,838	643,482	459,532	508,045	344,362
Total business type activities net assets	<u>\$ 2,706,180</u>	<u>\$ 2,498,853</u>	<u>\$ 2,224,544</u>	<u>\$ 1,461,723</u>	<u>\$ 1,221,570</u>	<u>\$ 1,007,706</u>	<u>\$ 885,962</u>	<u>\$ 748,260</u>
Total								
Invested in capital assets, net of related debt	\$ 33,872,141	\$ 30,133,212	\$ 19,405,037	\$ 14,564,501	\$ 10,598,016	\$ 8,830,574	\$ 6,431,945	\$ 4,055,483
Restricted	11,605,994	4,452,801	9,922,010	7,820,732	6,441,728	2,627,733	729,161	947,466
Unrestricted	9,361,905	17,066,096	9,263,917	5,764,070	2,238,221	1,164,935	1,670,186	1,486,035
Total net assets	<u>\$ 54,840,040</u>	<u>\$ 51,652,109</u>	<u>\$ 38,590,964</u>	<u>\$ 28,149,303</u>	<u>\$ 19,277,965</u>	<u>\$ 12,623,242</u>	<u>\$ 8,831,292</u>	<u>\$ 6,488,984</u>

* The District began to report accrual information when it implemented GASB Statement 34 in the year ended June 30, 2003.

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN NET ASSETS

Last Eight Fiscal Years
(Unaudited)

Year ended June 30,	2010	2009	2008	2007	2006	2005	2004	2003
Expenses								
Governmental Activities:								
Instruction	\$ 39,751,992	\$ 33,853,764	\$ 29,165,013	\$ 23,541,001	\$ 19,961,274	\$ 17,459,390	\$ 14,226,865	\$ 12,850,667
Support services	15,156,524	13,692,553	13,714,587	10,863,315	9,628,971	8,412,897	6,766,317	5,366,904
Non-instructional services	28,486	-	21,238	-	-	-	369	352
Other expenditures	13,008,444	5,862,005	5,115,615	6,868,514	5,790,397	5,674,821	4,399,338	4,104,084
Total governmental activities expenses	67,945,446	53,408,322	48,016,453	41,272,830	35,380,642	31,547,108	25,392,889	22,322,007
Business type activities:								
Instruction	-	-	11,932	7,101	2,230	-	-	-
Support services	-	257,408	359,328	285,066	257,974	-	-	-
Food service operations	2,861,494	2,429,393	2,133,551	1,735,203	1,604,089	1,590,456	1,346,037	1,179,897
Community education operations	212,864	-	-	-	-	-	-	-
Childcare operations	688,651	608,006	506,525	358,348	307,483	126,069	-	-
Total business type activities expenses	3,763,009	3,294,807	3,011,336	2,385,718	2,171,776	1,716,525	1,346,037	1,179,897
Total expenses	\$ 71,708,455	\$ 56,703,129	\$ 51,027,789	\$ 43,658,548	\$ 37,552,418	\$ 33,263,633	\$ 26,738,926	\$ 23,501,904
Program Revenues								
Governmental activities:								
Charges for services:								
Instruction	\$ 34,446,910	\$ 30,684,923	\$ 2,057,688	\$ 2,029,251	\$ 2,303,722	\$ 2,018,737	\$ 1,927,015	\$ 1,817,010
Support services	14,466,615	13,272,579	138,536	144,466	108,070	100,679	91,128	87,682
Operating grants and contributions	7,633,170	4,539,543	4,680,999	3,628,074	2,953,730	2,413,493	1,935,347	1,775,380
Total governmental activities program revenue	56,546,695	48,497,045	6,877,223	5,801,791	5,365,522	4,532,909	3,953,490	3,680,072
Business type activities:								
Charges for services:								
Support services	-	-	-	-	62,155	-	-	-
Food service operations	2,296,501	2,217,223	1,908,746	1,693,785	1,456,433	1,280,987	1,213,848	1,009,353
Childcare operations	791,795	753,598	699,391	470,059	371,744	127,150	550	-
Community education operations	58,234	-	-	-	-	-	-	-
Operating grants and contributions	681,161	585,268	504,340	421,173	362,089	301,939	266,374	213,292
Capital grants and contributions	-	-	-	-	111,484	120,440	-	-
Total business type activities program revenues	3,827,691	3,556,089	3,112,477	2,585,017	2,363,905	1,830,516	1,480,772	1,222,645
Total program revenues	\$ 60,374,386	\$ 52,053,134	\$ 9,989,700	\$ 8,386,808	\$ 7,729,427	\$ 6,363,425	\$ 5,434,262	\$ 4,902,717
Net (Expense)/Revenue								
Governmental activities	\$ (11,398,751)	\$ (4,911,277)	\$ (41,139,230)	\$ (35,471,039)	\$ (30,015,120)	\$ (27,014,199)	\$ (21,439,399)	\$ (18,641,935)
Business type activities	64,682	261,282	101,141	199,299	192,129	113,991	134,735	42,748
Total net expense	\$ (11,334,069)	\$ (4,649,995)	\$ (41,038,089)	\$ (35,271,740)	\$ (29,822,991)	\$ (26,900,208)	\$ (21,304,664)	\$ (18,599,187)
General Revenues								
Governmental activities:								
Property taxes	\$ 37,143,451	\$ 33,707,077	\$ 27,644,301	\$ 22,707,713	\$ 18,435,237	\$ 15,992,732	\$ 13,672,507	\$ 12,481,271
Local option sales & services tax	3,803,136	4,785,137	4,780,752	4,199,658	3,467,268	2,736,191	551,705	-
Unrestricted state grants	16,069,134	18,195,747	17,867,198	15,518,867	13,589,697	11,414,256	9,242,108	8,119,410
Investment earnings	191,804	570,523	840,642	1,299,865	602,452	191,461	87,440	246,574
Other	1,623,126	347,053	306,433	376,121	361,325	327,606	68,942	106,411
Total governmental activities	58,830,651	57,605,537	51,439,326	44,102,224	36,455,979	30,662,246	23,622,702	20,953,666
Business type activities:								
Investment earnings	2,266	12,977	40,396	40,854	21,735	7,753	2,967	2,401
Investment earnings	-	50	28	-	-	-	-	-
	2,266	13,027	40,424	40,854	21,735	7,753	2,967	2,401
Total general revenues	\$ 58,832,917	\$ 57,618,564	\$ 51,479,750	\$ 44,143,078	\$ 36,477,714	\$ 30,669,999	\$ 23,625,669	\$ 20,956,067
Change in Net Assets								
Governmental activities	\$ 2,980,604	\$ 12,786,836	\$ 9,678,840	\$ 8,631,185	\$ 6,440,859	\$ 3,648,047	\$ 2,183,303	\$ 2,311,731
Business type activities	207,327	274,309	762,821	240,153	192,129	113,991	134,735	42,748
Total change in net assets	\$ 3,187,931	\$ 13,061,145	\$ 10,441,661	\$ 8,871,338	\$ 6,632,988	\$ 3,762,038	\$ 2,318,038	\$ 2,354,479

Note: District began to report accrual information when it implemented GASB Statement 34 in the year ended June 30, 2003.

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General fund:										
Reserved	\$ 116,670	\$ 30,279	\$ 133,903	\$ 195,644	\$ 146,376	\$ 110,352	\$ 39,845	\$ 48,057	\$ 36,956	\$ 48,735
Unreserved	8,490,957	9,085,543	6,897,344	4,529,957	2,267,031	1,373,853	1,181,262	1,194,658	179,544	291,047
Total general fund	<u>\$ 8,607,627</u>	<u>\$ 9,115,822</u>	<u>\$ 7,031,247</u>	<u>\$ 4,725,601</u>	<u>\$ 2,413,407</u>	<u>\$ 1,484,205</u>	<u>\$ 1,221,107</u>	<u>\$ 1,242,715</u>	<u>\$ 216,500</u>	<u>\$ 339,782</u>
All other governmental funds:										
Reserved	\$ 4,229,495	\$ 8,157,269	\$ 9,432,642	\$ 3,453,669	\$ 233,849	\$ 189,164	\$ 118,999	\$ 76,887	\$ 179,915	\$ 278,459
Unreserved:										
Special revenue funds	-	-	3,156,244	1,644,624	1,533,833	1,200,280	729,161	947,466	558,969	220,474
Capital projects funds	13,726,849	51,426,443	10,340,847	17,488,964	17,107,276	2,906,073	5,725,357	11,576,873	5,807,706	1,304,593
Total all other government funds	<u>\$ 17,956,344</u>	<u>\$ 59,583,712</u>	<u>\$ 22,929,733</u>	<u>\$ 22,587,257</u>	<u>\$ 18,874,958</u>	<u>\$ 4,295,517</u>	<u>\$ 6,573,517</u>	<u>\$ 12,601,226</u>	<u>\$ 6,546,590</u>	<u>\$ 1,803,526</u>

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS AND DEBT SERVICE RATIO

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues:										
Local sources:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,666,930	\$ 10,913,375
Local tax	40,946,587	38,492,214	32,425,053	26,907,371	21,898,342	18,724,901	14,220,453	12,501,101		
Tuition	1,053,978	1,134,189	1,175,066	1,209,866	1,267,893	1,176,813	1,258,916	1,274,538		
Other	3,375,273	2,185,922	2,432,638	2,604,416	1,935,241	1,383,507	914,311	959,469		
State sources	21,558,200	23,361,214	21,804,292	18,700,021	16,110,389	13,424,393	10,926,968	9,691,405	8,327,266	7,211,697
Federal sources	4,132,391	1,021,619	479,500	485,203	437,201	407,377	254,243	207,125	211,068	123,955
Total revenues	71,066,429	66,195,158	58,316,549	49,906,877	41,649,066	35,116,991	27,574,891	24,633,638	21,205,264	18,249,027
Expenditures:										
Current:										
Instruction:	-	-	-	-	-	-	-	-	11,661,522	9,774,551
Regular	27,511,695	23,090,642	20,040,299	16,944,785	14,497,759	12,045,774	10,074,061	9,180,177		
Special	5,640,679	5,611,287	4,926,113	4,233,291	3,387,132	3,061,467	2,679,023	2,303,872		
Other	3,624,135	2,932,365	2,389,598	2,147,056	2,096,796	1,896,088	1,443,770	1,354,138		
Support services:	-	-	-	-	-	-	-	-	4,627,598	4,360,841
Student	2,033,862	1,981,122	2,518,458	1,413,137	1,289,559	1,274,069	983,108	927,615		
Instructional	2,604,731	2,372,731	2,450,310	1,631,053	1,393,248	1,475,734	1,331,528	604,992		
Administrative	3,668,870	4,145,264	3,639,159	2,909,779	2,711,319	2,270,519	1,965,351	1,515,229		
Operation & plant maintenance	4,188,307	3,778,765	3,829,770	3,023,278	2,764,387	2,114,247	1,584,289	1,567,336		
Transportation	2,344,507	2,084,532	1,981,897	1,853,584	1,560,878	1,097,493	874,909	762,357		
Non-instructional services	-	-	29,955	265	-	-	369	352	6,627	7,019
Other expenditures:									132,697	412,486
Capital outlay:										
Facilities acquisition	44,776,662	12,287,811	13,080,340	21,356,585	5,593,186	11,528,812	16,567,624	5,343,943	2,936,634	9,839,806
Debt service:									3,601,867	3,068,083
Principal	26,685,000	8,845,000	13,215,000	3,100,000	2,230,000	8,335,000	2,290,000	2,090,000		
Interest	5,545,233	3,584,653	3,097,409	3,166,074	2,500,741	2,391,214	2,082,149	1,900,449		
Fiscal charges	60,233	8,484	8,700	4,800	90,809	86,343	96,130	262,182		
AEA flowthrough	2,306,290	1,922,343	1,696,590	1,434,517	1,198,063	995,297	823,781	770,240	662,430	583,993
Total expenditures	130,990,204	72,644,999	72,903,598	63,218,204	41,313,877	48,572,057	42,796,092	28,582,882	23,629,375	28,046,779
Other financing sources (uses):										
Sale of equipment	-	-	-	100	50	1,900	1,300	100	2,565	-
Sale of real property	-	-	-	-	26,000	-	-	-	41,328	-
Interfund transfers in	-	-	-	3,101,062	15,831,166	763,808	775,552	798,543	767,870	3,549,536
Interfund transfers out	-	-	-	(3,101,062)	(15,831,160)	(763,808)	(775,552)	(798,543)	(776,239)	(3,549,536)
Bonds refunded	-	-	-	(4,285,000)	-	-	-	-	-	-
Bonds and notes issued	-	-	-	23,335,000	15,000,000	11,390,000	9,175,000	15,520,000	7,000,000	6,365,000
Premium on bonds and notes issued	-	-	-	285,720	147,404	48,264	-	(4,490,000)		
	-	-	-	19,335,820	15,173,460	11,440,164	9,176,300	11,030,100	7,035,524	6,365,000
Net change in fund balance	\$ (59,923,775)	\$ (6,449,841)	\$ (14,587,049)	\$ 6,024,493	\$ 15,508,649	\$ (2,014,902)	\$ (6,044,901)	\$ 7,080,856	\$ 4,611,413	\$ (3,432,752)
Total expenditures	\$ 130,990,204	\$ 72,644,999	\$ 72,903,598	\$ 63,218,204	\$ 41,313,877	\$ 48,572,057	\$ 42,796,092	\$ 28,582,882	\$ 23,629,375	\$ 28,046,779
Less: capital expenditures	-	-	-	(20,735,371)	(5,293,151)	(10,817,069)	(16,095,655)	(5,035,469)	(2,936,634)	(9,839,806)
Non-capital expenditures	130,990,204	72,644,999	72,903,598	42,482,833	36,020,726	37,754,988	26,700,437	23,547,413	20,692,741	18,206,973
Debt service expenditures	34,596,756	12,438,137	16,321,109	6,270,874	4,821,550	10,812,557	4,468,279	4,252,631	3,601,867	3,068,083
Debt service expenditures as a percentage of non-capital expenditures	26.41%	17.12%	22.39%	14.76%	13.39%	28.64%	16.73%	18.06%	17.41%	16.85%

Note: From 1999 to 2002, detail on revenues and expenses are not available.
Only category totals are reported.

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

GENERAL FUND REVENUES, BY SOURCE

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Local		State	Federal	Total
	Taxes	Miscellaneous			
2010	\$ 23,325,578	\$ 1,711,651	\$ 21,556,102	\$ 4,132,391	\$ 50,725,722
2009	\$ 21,606,662	\$ 1,976,901	\$ 23,359,329	\$ 1,021,619	\$ 47,964,511
2008	\$ 19,059,387	\$ 2,045,360	\$ 21,802,799	\$ 479,500	\$ 43,387,046
2007	\$ 15,417,932	\$ 2,022,140	\$ 18,698,603	\$ 485,203	\$ 36,623,878
2006	\$ 12,101,584	\$ 1,874,439	\$ 16,108,939	\$ 433,391	\$ 30,518,353
2005	\$ 9,993,328	\$ 1,599,569	\$ 13,422,857	\$ 407,377	\$ 25,423,131
2004	\$ 8,349,264	\$ 1,576,846	\$ 10,925,564	\$ 254,243	\$ 21,105,917
2003	\$ 7,866,729	\$ 1,600,125	\$ 9,690,094	\$ 207,125	\$ 19,364,073
2002	\$ 6,385,468	\$ 1,292,631	\$ 8,326,003	\$ 211,068	\$ 16,215,170
2001	\$ 5,312,002	\$ 1,040,571	\$ 7,177,234	\$ 123,955	\$ 13,653,762

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
GENERAL FUND EXPENDITURES, BY PROGRAM

Last Ten Fiscal Years
(Unaudited)

Year Ended June 30,	Instruction	Support Services	Non-Instructional Programs	Other Expenditures	Total
2010	\$ 34,446,910	\$ 14,466,615	\$ -	\$ 2,306,290	\$ 51,219,815
2009	\$ 30,684,923	\$ 13,272,579	\$ -	\$ 1,922,343	\$ 45,879,845
2008	\$ 26,185,188	\$ 13,176,495	\$ 23,127	\$ 1,696,590	\$ 41,081,400
2007	\$ 22,370,355	\$ 10,506,812	\$ -	\$ 1,434,517	\$ 34,311,684
2006	\$ 18,800,131	\$ 9,594,770	\$ -	\$ 1,198,063	\$ 29,592,964
2005	\$ 16,051,064	\$ 8,115,572	\$ -	\$ 995,297	\$ 25,161,933
2004	\$ 13,601,413	\$ 6,696,788	\$ -	\$ 824,908	\$ 21,123,109
2003	\$ 12,339,194	\$ 5,228,519	\$ -	\$ 770,245	\$ 18,337,958
2002	\$ 11,156,200	\$ 4,530,756	\$ -	\$ 662,430	\$ 16,349,386
2001	\$ 9,404,186	\$ 4,291,717	\$ -	\$ 583,993	\$ 14,279,896

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

GOVERNMENT-WIDE REVENUES

Last Eight Fiscal Years
(Unaudited)

Year ended June 30,	Program Revenues							
	Charges for Services & Sales	Operating Grants & Contributions	Capital Grants & Contributions	Taxes	Other Local Sources	State Sources	Investment Earnings	Total
2010	\$ 5,442,848	\$ 10,620,621	\$ -	\$ 40,946,587	\$ 1,623,126	\$ 16,069,134	\$ 194,070	\$ 74,896,386
2009	\$ 5,098,556	\$ 7,047,154	\$ -	\$ 38,492,214	\$ 347,053	\$ 18,195,797	\$ 583,500	\$ 69,764,274
2008	\$ 4,804,361	\$ 5,185,339	\$ -	\$ 32,425,053	\$ 306,433	\$ 17,867,226	\$ 881,038	\$ 61,469,450
2007	\$ 4,337,561	\$ 4,049,247	\$ -	\$ 26,907,371	\$ 188,662	\$ 15,518,867	\$ 1,340,719	\$ 52,342,427
2006	\$ 4,302,124	\$ 3,315,819	\$ 111,484	\$ 21,902,505	\$ 361,325	\$ 13,589,697	\$ 624,187	\$ 44,207,141
2005	\$ 3,527,553	\$ 2,715,432	\$ 120,440	\$ 18,728,923	\$ 327,606	\$ 11,414,256	\$ 199,214	\$ 37,033,424
2004	\$ 3,232,541	\$ 2,201,721	\$ -	\$ 13,672,507	\$ 620,647	\$ 9,242,108	\$ 90,407	\$ 29,059,931
*2003	\$ 2,914,045	\$ 1,998,672	\$ -	\$ 12,481,271	\$ 106,411	\$ 8,119,410	\$ 248,975	\$ 25,868,784

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
GOVERNMENT-WIDE EXPENSES, BY FUNCTION

Last Eight Fiscal Years
(Unaudited)

	Program Revenues					
				Non-instructional	Other	
Year ended June 30,	Instruction	Support Services		Programs	Expenditures	Total
2010	\$ 39,751,992	\$ 15,156,624	\$	28,486	\$ 13,008,444	\$ 67,945,546
2009	\$ 33,853,764	\$ 13,692,553	\$	-	\$ 5,862,005	\$ 53,408,322
2008	\$ 29,165,013	\$ 13,714,587	\$	21,238	\$ 5,115,615	\$ 48,016,453
2007	\$ 23,541,001	\$ 10,863,315	\$	2,385,718	\$ 6,868,514	\$ 43,658,548
2006	\$ 19,961,274	\$ 9,628,971	\$	2,171,776	\$ 5,790,397	\$ 37,552,418
2005	\$ 17,459,390	\$ 8,412,897	\$	1,716,525	\$ 5,674,821	\$ 33,263,633
2004	\$ 14,226,865	\$ 6,766,317	\$	1,346,406	\$ 4,399,338	\$ 26,738,926
2003 *	\$ 12,850,667	\$ 5,366,904	\$	1,180,249	\$ 4,104,084	\$ 23,501,904

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARISON OF GROWTH IN GENERAL FUND REVENUE, EXPENDITURES, ENROLLMENT,
ENROLLMENT, ASSESSED VALUATION AND TAX RATE

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Revenue	Growth	Expenditures	Growth	Budget Enrollment	Growth	Assessed Value	Growth	Tax Rate	Growth
2010	\$ 50,851,999	6.02%	\$ 51,219,815	11.64%	5,967.0	8.73%	\$ 1,968,768,518	9.81%	\$ 11.58369	-3.95%
2009	\$ 47,964,420	10.55%	\$ 45,879,845	11.68%	5,488.0	0.55%	\$ 1,792,848,425	22.21%	\$ 12.06033	-7.57%
2008	\$ 43,387,046	18.47%	\$ 41,081,400	19.73%	5,458.0	7.06%	\$ 1,467,046,188	22.76%	\$ 13.04865	0.89%
2007	\$ 36,623,878	19.99%	\$ 34,311,684	15.95%	5,098.0	11.07%	\$ 1,195,088,331	22.33%	\$ 12.93403	4.52%
2006	\$ 30,522,161	20.05%	\$ 29,592,960	17.61%	4,590.0	12.83%	\$ 976,966,148	15.70%	\$ 12.37520	4.68%
2005	\$ 25,425,031	20.50%	\$ 25,161,933	18.62%	4,068.0	12.19%	\$ 844,423,567	18.07%	\$ 11.82216	1.10%
2004	\$ 21,099,617	8.96%	\$ 21,212,982	15.68%	3,626.0	16.52%	\$ 715,197,303	8.86%	\$ 11.69320	-2.33%
2003	\$ 19,364,073	19.42%	\$ 18,337,958	12.16%	3,112.0	12.43%	\$ 656,966,876	18.46%	\$ 11.97257	4.08%
2002	\$ 16,215,170	18.76%	\$ 16,349,386	14.21%	2,768.0	15.29%	\$ 554,596,339	21.07%	\$ 11.50340	0.03%
2001	\$ 13,653,762	9.19%	\$ 14,315,385	14.01%	2,401.0	13.25%	\$ 458,079,902	8.48%	\$ 11.49978	0.80%

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
RATIO OF FINANCIAL CONDITION (General Fund)

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Days net Cash Ratio	97.58	108.79	97.86	84.81	64.79	59.09	56.9	56.8	37.7	43.4
<u>cash</u> average daily disbursements										
Increased Revenue versus Increased Expenditures	0.54	0.95	1.00	1.29	1.15	1.07	0.63	1.58	0.77	0.68
<u>current year revenue minus prior year revenue</u> current year expenditures-prior year expenditures										
Financial Solvency Ratios	16.70%	18.94%	15.68%	12.13%	7.08%	5.404%	5.597%	6.169%	1.107%	1.986%
<u>current year UD,UR Fund Balance*</u> current year actual revenue										

*UD,UR=Undesignated, Unreserved

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
(Unaudited)

Collection Year	General Fund	Management	Debt Service	PPEL	Total
<u>Property Tax Levies</u>					
2010	\$ 23,368,534	\$ 999,997	\$ 8,878,545	\$ 3,947,929	\$ 37,195,005
2009	\$ 21,622,344	\$ 999,997	\$ 7,499,922	\$ 3,609,431	\$ 33,731,694
2008	\$ 19,142,972	\$ 1,100,006	\$ 4,393,433	\$ 3,144,865	\$ 27,781,276
2007	\$ 15,457,308	\$ 500,501	\$ 4,270,762	\$ 2,559,417	\$ 22,787,988
2006	\$ 12,090,151	\$ 399,999	\$ 3,970,419	\$ 1,954,603	\$ 18,415,172
2005	\$ 9,978,351	\$ 300,000	\$ 4,030,904	\$ 1,662,167	\$ 15,971,422
2004	\$ 8,362,946	\$ 180,000	\$ 3,649,603	\$ 1,505,078	\$ 13,697,627
2003	\$ 7,874,784	\$ 165,000	\$ 3,094,666	\$ 1,367,044	\$ 12,501,494
2002	\$ 6,386,307	\$ 140,000	\$ 2,817,647	\$ 1,165,426	\$ 10,509,380
2001	\$ 5,267,646	\$ 120,000	\$ 2,341,461	\$ 965,491	\$ 8,694,598
<u>Property Tax Collections</u>					
2010	\$ 23,157,073	\$ 990,940	\$ 8,820,636	\$ 3,922,059	\$ 36,890,708
2009	\$ 21,443,124	\$ 991,736	\$ 7,447,496	\$ 3,584,212	\$ 33,466,568
2008	\$ 18,885,364	\$ 1,085,244	\$ 4,307,301	\$ 3,102,316	\$ 27,380,225
2007	\$ 15,417,932	\$ 498,717	\$ 4,246,299	\$ 2,544,765	\$ 22,707,713
2006	\$ 12,080,450	\$ 399,673	\$ 3,967,366	\$ 1,953,106	\$ 18,400,595
2005	\$ 9,973,356	\$ 299,712	\$ 4,024,352	\$ 1,661,063	\$ 15,958,483
2004	\$ 8,349,264	\$ 179,706	\$ 3,639,048	\$ 1,500,730	\$ 13,668,748
2003	\$ 7,866,729	\$ 165,496	\$ 3,093,356	\$ 1,375,520	\$ 12,501,101
2002	\$ 6,385,468	\$ 140,125	\$ 2,819,360	\$ 1,166,134	\$ 10,511,087
2001	\$ 5,312,002	\$ 121,008	\$ 2,341,268	\$ 965,411	\$ 8,739,689
<u>Percentage Collected</u>					
2010	99.10%	99.09%	99.35%	99.34%	99.18%
2009	99.17%	99.17%	99.30%	99.30%	99.21%
2008	98.65%	98.66%	98.04%	98.65%	98.56%
2007	99.75%	99.64%	99.43%	99.43%	99.65%
2006	99.92%	99.92%	99.92%	99.92%	99.92%
2005	99.95%	99.90%	99.84%	99.93%	99.92%
2004	99.84%	99.84%	99.71%	99.71%	99.79%
2003	99.90%	100.30%	99.96%	100.62%	100.00%
2002	99.99%	100.09%	100.06%	100.06%	100.02%
2001	100.84%	100.84%	99.99%	99.99%	100.52%

Source: District records

Dallas County, Iowa does not track delinquent taxes to a specific year if payment is made after the fiscal year closes.

WAUKEE COMMUNITY SCHOOL DISTRICT

TAXABLE AND 100% VALUES OF PROPERTY

Last Ten Fiscal Years
(Unaudited)

Levy Year	Collection Year	Real Property		Personal Property		Railroads & Utilities w/o Gas & Electric	
		Taxable	100% Value	Taxable	100% Value	Taxable	100% Value
2008	2009-10	\$1,955,777,049	\$3,400,929,740	\$ -	\$ -	\$ 13,641,512	\$ 13,641,512
2007	2008-09	\$1,780,656,409	\$3,116,199,794	\$ -	\$ -	\$ 12,272,629	\$ 12,272,629
2006	2007-08	\$1,858,042,043	\$2,950,899,982	\$ -	\$ -	\$ 13,116,350	\$ 13,116,350
2005	2006-07	\$1,510,070,351	\$2,419,304,099	\$ -	\$ -	\$ 15,444,126	\$ 15,465,927
2004	2005-06	\$1,148,316,166	\$1,868,579,752	\$ -	\$ -	\$ 15,095,138	\$ 15,095,138
2003	2004-05	\$ 973,280,228	\$1,558,524,097	\$ -	\$ -	\$ 14,464,885	\$ 14,464,885
2002	2003-04	\$ 881,545,202	\$1,347,854,822	\$ -	\$ -	\$ 12,181,126	\$ 12,181,126
2001	2002-03	\$ 800,649,806	\$1,217,989,973	\$ 742,846	\$ 742,846	\$ 15,058,875	\$ 15,106,417
2000	2001-02	\$ 672,278,192	\$ 975,065,887	\$ 6,503,826	\$ 6,503,826	\$ 11,519,941	\$ 11,519,941
1999	2000-01	\$ 555,403,963	\$ 826,165,160	\$ 7,654,857	\$ 7,654,857	\$ 15,100,018	\$ 15,100,018

Gas and Electric was broken out of total utilities in fiscal year 2000 due to change in state law.

Gas and Electric is no longer subject to property tax, but instead pay utility replacement tax.

Includes Tax Increment Financing Valuations

Source: County Auditor's Office

Gas & Electric		Total		Ratio of Total Taxable Value to 100% Value
Taxable	100% Value	Taxable	100% Value	
\$ 12,991,469	\$ 26,566,149	\$3,427,562,721	\$3,441,137,401	99.61%
\$ 12,192,016	\$ 17,468,314	\$3,140,664,439	\$3,145,940,737	99.83%
\$ 11,994,305	\$ 17,065,329	\$1,883,152,698	\$2,981,081,661	63.17%
\$ 7,070,342	\$ 8,407,740	\$1,532,584,819	\$2,443,177,766	62.73%
\$ 7,009,675	\$ 7,750,790	\$1,170,420,979	\$1,891,425,680	61.88%
\$ 7,564,751	\$ 7,564,751	\$ 995,309,864	\$1,580,553,733	62.97%
\$ 7,517,646	\$ 7,517,646	\$ 901,243,974	\$1,367,553,594	65.90%
\$ 7,526,984	\$ 7,526,984	\$ 823,978,511	\$1,241,366,220	66.38%
\$ 7,557,884	\$ 7,557,884	\$ 697,859,843	\$1,000,647,538	69.74%
\$ -	\$ -	\$ 578,158,838	\$ 848,920,035	68.11%

WAUKEE COMMUNITY SCHOOL DISTRICT

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION, DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Levy Year	Collection Year	Dallas County	Dallas Co Hospital	State	Area XI Community College	City	Special	Waukee CSD	Total	Ratio WCSD to Total
<u>City of Waukee</u>										
2008	2009-10	\$5.24709	\$0.60971	\$0.00300	\$0.56778	\$ 13.50004	\$ -	\$17.80336	\$37.73098	47.185%
2007	2008-09	\$5.30363	\$0.59132	\$0.00350	\$0.56386	\$ 13.50004	\$ -	\$17.75814	\$37.72049	47.078%
2006	2007-08	\$7.19259	\$2.96959	\$0.00350	\$0.60276	\$ 13.50004	\$ -	\$17.80148	\$42.06996	42.314%
2005	2006-07	\$8.90138	\$1.13685	\$0.00400	\$0.68488	\$ 13.50004	\$ -	\$17.84693	\$42.07408	42.418%
2004	2005-06	\$6.15571	\$0.68223	\$0.00400	\$0.68408	\$ 13.50039	\$ -	\$17.84693	\$38.87334	45.910%
2003	2004-05	\$6.11761	\$0.74992	\$0.00400	\$0.59856	\$ 13.50039	\$ -	\$17.89346	\$38.86394	46.041%
2002	2003-04	\$6.22792	\$0.78378	\$0.00400	\$0.58184	\$ 13.50010	\$ -	\$17.66440	\$38.76204	45.571%
2001	2002-03	\$6.27223	\$0.85556	\$0.00500	\$0.54584	\$ 13.50032	\$ -	\$17.66350	\$38.84245	45.475%
2000	2001-02	\$6.26865	\$0.85556	\$0.00500	\$0.54454	\$ 13.50000	\$ -	\$17.47522	\$38.64897	45.215%
1999	2000-01	\$6.07606	\$0.61980	\$0.00500	\$0.54506	\$ 13.50000	\$ -	\$17.49678	\$38.24270	45.752%
<u>City of Clive</u>										
2008	2009-10	\$5.24709	\$0.60971	\$0.00300	\$0.56778	\$ 9.53764	\$ -	\$17.80336	\$ 33.7686	52.722%
2007	2008-09	\$5.30363	\$0.59132	\$0.00350	\$0.56386	\$ 9.53762	\$ -	\$17.75814	\$ 33.7581	52.604%
2006	2007-08	\$7.19259	\$2.96959	\$0.00350	\$0.60276	9.53783	\$0.07294	\$17.80148	\$ 38.1807	46.624%
2005	2006-07	\$8.90138	\$1.13685	\$0.00400	\$0.68488	\$ 9.24927	\$ -	\$17.84693	\$37.82331	47.185%
2004	2005-06	\$6.15571	\$0.68223	\$0.00400	\$0.68408	\$ 9.24927	\$ -	\$17.84693	\$34.62222	51.548%
2003	2004-05	\$6.11761	\$0.74992	\$0.00400	\$0.59856	\$ 8.82714	\$ -	\$17.89346	\$34.19069	52.334%
2002	2003-04	\$6.22792	\$0.78378	\$0.00400	\$0.58184	\$ 8.92149	\$ -	\$17.66440	\$34.18343	51.675%
2001	2002-03	\$6.27223	\$0.85556	\$0.00500	\$0.54584	\$ 8.96811	\$ -	\$17.66350	\$34.31024	51.482%
2000	2001-02	\$6.26865	\$0.85556	\$0.00500	\$0.54454	\$ 8.45221	\$ -	\$17.47522	\$33.60118	52.008%
1999	2000-01	\$6.07606	\$0.61980	\$0.00500	\$0.54506	\$ 7.91104	\$ -	\$17.49678	\$32.65374	53.583%
<u>City of Urbandale</u>										
2008	2009-10	\$5.24709	\$0.60971	\$0.00300	\$0.56778	\$ 9.22000	\$ -	\$17.80336	\$33.45094	53.222%
2007	2008-09	\$5.30363	\$0.59132	\$0.00350	\$0.56386	\$ 9.22000	\$ -	\$17.75814	\$33.44045	53.104%
2006	2007-08	\$7.19259	\$2.96959	\$0.00350	\$0.60276	\$ 9.22000	\$0.17216	\$17.80148	\$37.96208	46.893%
2005	2006-07	\$8.90138	\$1.13685	\$0.00400	\$0.68488	\$ 9.07393	\$0.13129	\$17.84693	\$37.77926	47.240%
2004	2005-06	\$6.15571	\$0.68223	\$0.00400	\$0.68408	\$ 9.07393	\$ -	\$17.84693	\$34.44688	51.810%
2003	2004-05	\$6.11761	\$0.74992	\$0.00400	\$0.59856	\$ 9.07306	\$0.41222	\$17.89346	\$34.84883	51.346%
2002	2003-04	\$6.22792	\$0.78378	\$0.00400	\$0.58184	\$ 9.07000	\$0.42528	\$17.66440	\$34.75722	50.822%
2001	2002-03	\$6.27223	\$0.85556	\$0.00500	\$0.54584	\$ 8.97000	\$0.41734	\$17.66350	\$34.72947	50.860%
2000	2001-02	\$6.26865	\$0.85556	\$0.00500	\$0.54454	\$ 8.96096	\$0.35432	\$17.47522	\$34.46425	50.705%
1999	2000-01	\$6.07606	\$0.61980	\$0.00500	\$0.54506	\$ 8.97000	\$0.39163	\$17.49678	\$34.10433	51.304%
<u>City of West Des Moines</u>										
2008	2009-10	\$5.24709	\$0.60971	\$0.00300	\$0.56778	\$ 12.05000	\$ -	\$17.80336	\$36.28094	49.071%
2007	2008-09	\$5.30363	\$0.59132	\$0.00350	\$0.56386	\$ 12.05000	\$ -	\$17.75814	\$36.27045	48.960%
2006	2007-08	\$7.19259	\$2.96959	\$0.00350	\$0.60276	\$ 12.04999	\$0.33240	\$17.80148	\$40.95231	43.469%
2005	2006-07	\$8.90138	\$1.13685	\$0.00400	\$0.68488	\$ 11.95000	\$0.27070	\$17.84693	\$40.79474	43.748%
2004	2005-06	\$6.15571	\$0.68223	\$0.00400	\$0.68408	\$ 11.95000	\$ -	\$17.84693	\$37.32295	47.818%
2003	2004-05	\$6.11761	\$0.74992	\$0.00400	\$0.59856	\$ 11.72777	\$ -	\$17.89346	\$37.09132	48.242%
2002	2003-04	\$6.22792	\$0.78378	\$0.00400	\$0.58184	\$ 11.60021	\$ -	\$17.66440	\$36.86215	47.920%
2001	2002-03	\$6.27223	\$0.85556	\$0.00500	\$0.54584	\$ 11.60003	\$ -	\$17.66350	\$36.94216	47.814%
2000	2001-02	\$6.26865	\$0.85556	\$0.00500	\$0.54454	\$ 10.90002	\$ -	\$17.47522	\$36.04899	48.476%
1999	2000-01	\$6.07606	\$0.61980	\$0.00500	\$0.54506	\$ 10.90000	\$ -	\$17.49678	\$35.64270	49.089%

Source: County Auditor's Office

WAUKEE COMMUNITY SCHOOL DISTRICT

TAX RATES BY FUND

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,		General		Management		PPEL		Debt Service		Total
2010	\$	11.86962	\$	0.50793	\$	1.67000	\$	3.75581	\$	17.80336
2009	\$	12.06033	\$	0.55777	\$	1.67000	\$	3.47004	\$	17.75814
2008	\$	13.04865	\$	0.74981	\$	1.67000	\$	2.33302	\$	17.80148
2007	\$	12.93403	\$	0.41838	\$	1.67000	\$	2.78664	\$	17.80905
2006	\$	12.37520	\$	0.40943	\$	1.67000	\$	3.39230	\$	17.84693
2005	\$	11.82216	\$	0.35527	\$	1.67000	\$	4.04603	\$	17.89346
2004	\$	11.69320	\$	0.25168	\$	1.67000	\$	4.04952	\$	17.66440
2003	\$	11.97257	\$	0.25115	\$	1.67000	\$	3.75576	\$	17.64948
2002	\$	11.50340	\$	0.25244	\$	1.67000	\$	4.03755	\$	17.46339
2001	\$	11.49978	\$	0.26197	\$	1.67000	\$	4.05000	\$	17.48175

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
TAXABLE ASSESSED VALUATION BY PROPERTY TYPE*

Last Ten Fiscal Years
(Unaudited)

Collection Year	2010	% of Total	2009	% of Total	2008	% of Total	2007	% of Total	2006
Residential	\$ 1,209,740,589	61.0%	\$ 1,049,082,674	58.3%	\$ 894,414,446	61.0%	\$ 736,708,613	61.6%	\$ 577,276,665
Agricultural	13,792,106	0.7%	13,393,952	0.7%	13,510,560	0.9%	13,910,270	1.2%	14,009,200
Commercial	712,326,724	35.9%	699,318,821	38.9%	530,841,969	36.2%	418,658,441	35.0%	359,914,916
Industrial	4,096,860	0.2%	4,698,960	0.3%	4,865,916	0.3%	4,851,390	0.4%	4,851,390
Personal	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Railroads	1,559,461	0.1%	1,559,461	0.1%	1,281,039	0.1%	2,545,804	0.2%	2,598,624
Utilities w/o Gas & Electric	13,641,512	0.7%	12,272,629	0.7%	11,835,311	0.8%	12,898,322	1.1%	12,496,514
Gas & Electric	26,566,149	1.3%	17,468,314	1.0%	11,994,305	0.8%	7,070,342	0.6%	7,009,675
Sub-Total	1,981,723,401		1,797,794,811		1,468,743,546		1,196,643,182		978,156,984
(Military Credit)	1,854,007		1,795,576		(1,697,358)		(1,554,851)		(1,190,836)
Totals	<u>\$ 1,983,577,408</u>		<u>\$ 1,799,590,387</u>		<u>\$ 1,467,046,188</u>		<u>\$ 1,195,088,331</u>		<u>\$ 976,966,148</u>

* Does not include TIF Valuation

Source: County Auditor and District records

% of Total	2005	% of Total	2004	% of Total	2003	% of Total	2002	% of Total	2001	% of Total
59.1%	\$ 479,166,040	56.7%	\$ 416,743,673	58.3%	\$ 385,758,428	58.7%	\$ 343,169,499	61.9%	\$ 262,101,456	57.2%
1.4%	14,475,120	1.7%	22,181,850	3.1%	22,470,600	3.4%	22,591,480	4.1%	22,083,027	4.8%
36.8%	325,193,663	38.5%	250,761,836	35.1%	221,993,653	33.8%	159,965,881	28.8%	147,944,604	32.3%
0.5%	4,718,460	0.6%	4,564,480	0.6%	4,452,610	0.7%	4,319,690	0.8%	4,186,760	0.9%
0.0%	-	0.0%	-	0.0%	742,846	0.1%	6,503,826	1.2%	7,654,857	1.7%
0.3%	2,451,043	0.3%	2,334,361	0.3%	2,084,530	0.3%	1,955,070	0.4%	-	0.0%
1.3%	12,013,842	1.4%	12,181,126	1.7%	12,974,345	2.0%	9,564,871	1.7%	15,100,018	3.3%
0.7%	<u>7,564,751</u>	0.9%	<u>7,517,646</u>	1.1%	<u>7,526,984</u>	1.1%	<u>7,557,884</u>	1.4%	<u>-</u>	0.0%
	845,582,919		716,284,972		658,003,996		555,628,201		459,070,722	
	<u>(1,159,353)</u>		<u>(1,087,669)</u>		<u>(1,037,120)</u>		<u>(1,031,862)</u>		<u>(990,820)</u>	
	<u>\$ 844,423,566</u>		<u>\$ 715,197,303</u>		<u>\$ 656,966,876</u>		<u>\$ 554,596,339</u>		<u>\$ 458,079,902</u>	

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARISON OF TAXES AND INTERGOVERNMENTAL REVENUE

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Local revenue		Inter-governmental revenue			Total
	General and special revenue funds	Debt service and capital projects funds	State sources	Federal sources		
2010	\$ 25,163,506	\$ 8,928,576	\$ 21,556,102	\$ 4,132,391	\$	59,780,575
2009	\$ 23,583,562	\$ 7,514,685	\$ 23,359,239	\$ 1,021,619	\$	55,479,105
2008	\$ 26,294,962	\$ 9,737,795	\$ 21,804,292	\$ 479,500	\$	58,316,549
2007	\$ 21,357,278	\$ 9,364,375	\$ 18,700,021	\$ 485,203	\$	49,906,877
2006	\$ 17,196,267	\$ 7,905,208	\$ 16,110,389	\$ 437,201	\$	41,649,065
2005	\$ 14,255,091	\$ 7,030,130	\$ 13,424,393	\$ 407,377	\$	35,116,991
2004	\$ 12,136,114	\$ 4,258,524	\$ 10,926,010	\$ 254,243	\$	27,574,891
2003	\$ 11,479,225	\$ 3,256,755	\$ 9,690,533	\$ 207,125	\$	24,633,638
2002	\$ 9,390,499	\$ 5,774,171	\$ 8,326,407	\$ 211,068	\$	23,702,145
2001	\$ 7,813,067	\$ 3,123,907	\$ 7,188,098	\$ 123,955	\$	18,249,027
2000	\$ 6,973,173	\$ 2,346,790	\$ 6,593,640	\$ 97,274	\$	16,010,877
1999	\$ 5,942,738	\$ 1,642,352	\$ 5,232,474	\$ 68,096	\$	12,885,660

WAUKEE COMMUNITY SCHOOL DISTRICT

PRINCIPAL TAXPAYERS IN THE WAUKEE COMMUNITY SCHOOL DISTRICT

Current and Two Years Ago
(Unaudited)

Taxpayer	2009 Taxable Values	Percent of Total Assessed Value
Wells Fargo Home Mortgage, Inc.	\$ 188,454,660	10.51%
GCP Jordan Creek LLC	175,142,440	9.77%
CCOPILLC	49,114,960	2.74%
Dallas County Partners II	31,725,370	1.77%
Iowa Clinic West Lakes I, LLC	25,834,520	1.44%
West Lakes Development Company	15,986,030	0.89%
Wal-Mart Real Estate Business Trust	15,620,130	0.87%
MidAmerican Energy Co	15,579,030	0.87%
Northwood Village Ltd	14,675,040	0.82%
Total	\$ 532,132,180	
Total Taxable Assessed Value	\$ 1,792,848,425	

Taxpayer	2007 Taxable Values	Percent of Total Assessed Value
Wells Fargo Home Mortgage, Inc.	\$ 194,964,583	**
GCP Jordan Creek LLC	174,282,507	**
CCOPILLC	51,790,814	**
Dallas County Partners II	31,640,092	**
West Lakes Development Company	20,419,116	**
Wal-Mart Real Estate Business Trust	15,578,143	**
Northwood Village Ltd	14,635,593	**
Sherman Hills Real Estate Partnership LLP	14,600,478	**
Moody national M Des moines IA ,LLC	13,787,569	**
Dallas County Partners	13,361,239	**
Total	\$ 531,698,895	
Total Taxable Assessed Value	**	

** Data not available

Source: Dallas County Auditor's Office

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARATIVE RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA

Last Ten Fiscal Years
(Unaudited)

Collection Year	Population*	100% Actual Value	Legal Debt Limit(5%)	Indebtedness	Debt to Assessed Value	Debt per Capita
2010	46,500	\$ 3,822,756,705	\$ 191,137,835	\$ 110,790,000	2.90%	\$ 2,383
2009	41,250	\$ 3,502,206,021	\$ 175,110,301	\$ 122,945,000	3.51%	\$ 2,980
2008	37,750	\$ 2,981,081,661	\$ 149,054,083	\$ 89,345,000	3.00%	\$ 2,367
2007	30,650	\$ 2,443,177,766	\$ 122,158,888	\$ 85,395,000	3.50%	\$ 2,786
2006	23,678	\$ 1,891,425,680	\$ 94,571,284	\$ 69,445,000	3.67%	\$ 2,933
2005	22,428	\$ 1,580,553,733	\$ 79,027,687	\$ 56,675,000	3.59%	\$ 2,527
2004	15,500	\$ 1,367,553,594	\$ 68,377,680	\$ 52,195,000	3.82%	\$ 3,367
2003	14,607	\$ 1,241,366,220	\$ 62,068,311	\$ 44,640,000	3.60%	\$ 3,056
2002	13,780	\$ 1,000,647,538	\$ 50,032,377	\$ 35,060,000	3.50%	\$ 2,544
2001	13,000	\$ 848,920,035	\$ 42,446,002	\$ 29,375,000	3.46%	\$ 2,260

* District populations estimated from 2000 Census.

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Principal	Interest	Total Debt Service	Total Expenditures	Ratio of Debt Service to Total Expenditures
2009	\$ 26,685,000	\$ 5,545,223	\$ 32,230,223	\$ 51,219,815	62.93%
2008	\$ 14,910,000	\$ 2,927,372	\$ 17,837,372	\$ 45,879,845	38.88%
2007	\$ 13,215,000	\$ 3,097,409	\$ 16,312,409	\$ 41,081,400	39.71%
2006	\$ 7,385,000	\$ 3,166,074	\$ 10,551,074	\$ 34,311,684	30.75%
2005	\$ 7,640,000	\$ 2,324,006	\$ 9,964,006	\$ 25,161,933	39.60%
2004	\$ 1,620,000	\$ 1,983,926	\$ 3,603,926	\$ 21,123,109	17.06%
2003	\$ 2,155,000	\$ 1,773,021	\$ 3,928,021	\$ 18,337,959	21.42%
2002	\$ 1,315,000	\$ 1,515,146	\$ 2,830,146	\$ 16,349,386	17.31%
2001	\$ 955,000	\$ 1,378,872	\$ 2,333,872	\$ 14,279,896	16.34%
2000	\$ 870,000	\$ 1,148,125	\$ 2,018,125	\$ 12,220,417	16.51%

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2010	2009	2008	2007	2006
Assessed value of property	\$ 3,822,756,705	\$ 3,502,206,021	\$ 2,981,081,661	\$ 2,443,177,766	\$ 1,891,425,600
Debt limit-5% of 100% assessed value	191,137,835	175,110,301	149,054,083	122,158,888	94,571,280
Amount of debt applicable to debt limit:					
General obligation bonds	105,380,000	107,775,000	60,370,000	52,590,000	54,445,000
Sales tax revenue bonds	13,925,000	13,925,000	16,400,000	18,900,000	
Capital loan notes	11,195,000	11,195,000	12,575,000	13,905,000	15,000,000
Total debt applicable to debt limit	130,500,000	132,895,000	89,345,000	85,395,000	69,445,000
Legal debt margin	\$ 60,637,835	\$ 42,215,301	\$ 59,709,083	\$ 36,763,888	\$ 25,126,280
Legal debt margin as a percentage of debt limit	31.72%	24.11%	40.06%	30.10%	26.57%

Source: District Records

2005	2004	2003	2002	2001
\$ 1,580,553,733	\$ 1,367,553,594	\$ 1,241,366,220	\$ 1,000,646,538	\$ 848,920,035
79,027,687	68,377,680	62,068,311	50,032,327	42,446,002
55,945,000	52,195,000	44,640,000	35,060,000	29,375,000
730,000	1,425,000	2,095,000	2,735,000	-
56,675,000	53,620,000	46,735,000	37,795,000	29,375,000
\$ 22,352,687	\$ 14,757,680	\$ 15,333,311	\$ 12,237,327	\$ 13,071,002
28.28%	21.58%	24.70%	24.46%	30.79%

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPUTATION OF OVERLAPPING AND DIRECT DEBT

As of June 30, 2010
(Unaudited)

	Taxable Valuation	Taxable Valuation Within District	Percent in District	G. O. Debt	Waukee CSD Share of the Debt
Dallas County	\$ 1,195,401,041	\$ 2,364,029,334	197.76%	\$ 16,285,000	\$ 32,205,274
City of Waukee	519,768,060	516,863,353	99.44%	23,480,000	23,348,783
City of Clive	1,195,401,041	230,005,628	19.24%	54,489,000	10,484,161
City of Grimes	369,807,474	137,372	0.04%	18,170,000	6,750
City of Urbandale	2,338,423,323	304,935,728	13.04%	49,840,000	6,499,250
City of West Des Moir	3,978,273,850	1,251,131,698	31.45%	112,650,000	35,427,422
Area XI Des Moines A	33,610,813,667	2,364,029,334	7.03%	93,605,000	6,583,743

Total District Share of Overlapping Debt				\$ 368,519,000	\$ 114,555,381
--	--	--	--	----------------	----------------

Direct, Waukee Community School District:

General Obligation	100.00%	\$ 101,005,000	\$ 101,005,000
Sales Tax Revenue Bonds	100.00%	11,355,000	11,355,000
Capital Loan Notes	100.00%	9,765,000	9,765,000

Total District Direct Debt		\$ 122,125,000	\$ 122,125,000
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Source: District records, County Auditor's office, City of Waukee, City of Clive, City of Grimes, City of Urbandale, City of West Des Moines, Area XI Des Moines Area Community College.

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT STAFFING LEVELS

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Administration:										
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principal	8.0	8.0	7.0	6.0	5.0	5.0	5.0	5.0	4.0	4.0
Associate Principal	4.5	2.0	2.0	4.0	3.0	1.0	-			
Other Administrators	6.0	6.0	6.0	4.0	5.0	5.0	3.0	3.0	3.0	3.0
Total Administration	19.5	17.0	16.0	15.0	14.0	12.0	9.0	9.0	8.0	8.0
Other Professionals						-	0.6	1.0	1.0	2.0
Instruction:										
Teacher	384.34	357.44	318.33	288.5	258.6	229.1	207.7	192.5	165.7	143.3
Curriculum Specialist	0.50	2.0	2.0	2.0	2.0	1.0	1.0			
Counselor	18.50	17.0	15.0	14.0	13.0	11.0	11.0	10.0	9.0	8.0
Title I	1.50	2.0	2.0	1.5	1.5	1.0				
Media Specialist	8.00	7.0	7.0	6.0	5.0	5.0	5.0	5.0	3.0	3.0
Total Instruction	412.84	385.44	344.33	312.0	280.1	247.1	224.7	207.5	177.7	154.3
Professional, Other:										
Nurse	6.0	9.0	7.0	7.0	6.5	4.8	4.8	4.8	4.0	3.5
Other Professional	14.0	9.5	8.5	6.5	6.1	5.0	4.0	3.8	2.0	1.0
Total Professional, Other	20.0	18.5	15.5	13.5	12.6	9.8	8.8	8.5	6.0	4.5
Support Personnel:										
Office/Clerical	36.0	28.0	26.0	23.0	20.0	16.9	15.8	12.3	14.5	12.5
Crafts/Trades	4.0	4.0	4.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Teacher Associates	105.1	96.500	84.601	63.3	61.7	56.9	42.2	42.8	37.5	32.0
Other Support Personnel	104.9	72.300	61.719	57.3	57.1	57.1	39.4	40.0	21.0	20.5
Total Support Personnel	250.0	200.8	176.3	145.7	139.8	131.9	98.4	96.0	74.0	66.0
Totals	702.3	621.7	552.2	486.2	446.4	400.8	341.5	322.0	266.7	234.8

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

GENERAL ANALYSIS OF FACILITIES, CLASSROOMS AND STAFFING

June 30, 2010
(Unaudited)

Name of School	Dates of Construction	Grades Served
Elementary Schools:		
Waukee	1917, 1957, 1974, 1979, 1987, 1999	PK-5 and Special Education
Brookview	2001, 2002, 2004	K-5 and Special Education
Eason	1994, 2002	K-5 and Special Education
Walnut Hills	2005	PK-5 and Special Education
Maple Grove	2007	PK-5 and Special Education
Waukee Middle School	1974, 1977, 1987, 1994, 1997, 1999, 2008	6-7 and Special Education
Prairieview 8-9 Building	2004, 2009	8-9 and Special Education
Waukee High School	1997, 2000, 2001, 2006	10-12 and Special Education
		District Wide
Other facilities - non-student occupancy:		
YMCA	2000, 2001	
Waukee Elementary Annex	1932, 1995	
District Administration	2003, 2007	
District Central Receiving/Transportation Facility	2003	

Source: District records

Building Served	Enrollment Sept. 2008	Certified Staff	Pupil/Teacher Ratio	Number of Classrooms	Teaching Sections
	666	51.0	13.06	38	33
	649	50.0	12.98	25	27
	627	42.0	14.93	30	27
	805	53.0	15.19	37	30
	703	52	13.52	38	30
	3,450	248.0	13.91	168	147
	961	70.0	13.73	26	-
	855	62.0	13.79	46	-
	903	69.000	13.09	45	-
	6,169	449.000	13.74	285	147

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT AND AREA UNEMPLOYMENT RATES AND PER CAPITA INCOMES

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Des Moines Area	Dallas County			State of Iowa	Per Capita Income
		Median Household Income	Average Household Income	Per Capita Income		
2010	6.8%	\$ 66,988	\$ 81,842	\$ 31,339	6.8%	\$ 25,222
2009	6.5%				6.6%	
2008	4.1%				4.6%	
2007	3.1%				3.4%	
2006	2.9%	\$ 59,435	\$ 74,925	\$ 29,144	3.6%	\$ 33,236
2005	4.0%				4.8%	
2004	4.1%				4.1%	
2003	3.6%				4.2%	
2002	3.4%				4.0%	
2001	2.1%				3.3%	

Source: Iowa Workforce Development, ESRI, US Bureau of the Census of Population and Housing,
US Bureau of Economic Analysis.

WAUKEE COMMUNITY SCHOOL DISTRICT

SUMMARY OF HISTORICAL RETAIL SALES
(In Millions)

Last Ten Years
(Unaudited)

Year	Dallas County	Percent Increase	Waukee	Percent Increase	West Des Moines	Percent Increase	Des Moines	Percent Increase
2009	\$ 953.12	15.6%	\$ 90.13	-9.7%	\$ 660.75	22.5%	\$ 3,300.12	-4.9%
2008	\$ 824.68	10.4%	\$ 99.80	-3.0%	\$ 539.37	-59.9%	\$ 3,470.69	1.5%
2007	\$ 747.18	10.8%	\$ 102.89	-15.0%	\$ 1,345.69	-27.8%	\$ 3,418.12	-2.4%
2006	\$ 674.51	97.8%	\$ 121.06	16.2%	\$ 1,864.22	103.9%	\$ 3,502.63	0.3%
2005	\$ 340.93	6.6%	\$ 104.16	23.0%	\$ 914.20	2.6%	\$ 3,492.31	-16.7%
2004	\$ 319.88	12.2%	\$ 84.65	10.4%	\$ 891.45	2.3%	\$ 4,190.41	10.6%
2003	\$ 285.14	7.5%	\$ 76.68	8.1%	\$ 871.55	2.1%	\$ 3,789.65	-5.1%
2002	\$ 265.18	20.7%	\$ 70.94	41.5%	\$ 853.49	-0.6%	\$ 3,994.64	-2.7%
2001	\$ 219.78	21.7%	\$ 50.13	73.4%	\$ 858.59	5.3%	\$ 4,106.04	1.3%
2000	\$ 180.54	18.0%	\$ 28.91	5.7%	\$ 815.65	15.9%	\$ 4,054.94	2.8%

Source: Iowa Department of Revenue and Finance

WAUKEE COMMUNITY SCHOOL DISTRICT

PRINCIPAL EMPLOYERS IN THE DISTRICT

Current year and 12 years ago
(Unaudited)

Presented below is a list of employers located within the Waukee Community School District, the type of business conducted and an approximate number of employees for each.

District Employers	Product/Service	2010		1997	
		Employees	% of Total	Employees	% of Total
Wells Fargo Mortgage & Financial	Financial	3,177	34.5%	-	
Hy-Vee	Food Supplier	759	8.2%	-	
West Des Moines School	Education	1,200	13.0%	-	
Iowa Farm Bureau	Agriculture	1,160	12.6%	-	
Marsh Insurance	Benefit Insurance	1,031	11.2%	-	
Waukee Community School District	Insurance	723	7.8%	-	
Iowa Foundation for Medical Care	Insurance	645	7.0%	-	
Guide One	Education	523	5.7%	200	100.0%
Total		9,218		200	

Larger employers in the area	Product/Service	2009		1997	
		Employees	% of Total	Employees	% of Total
Wells Fargo & Co	Financial Serviced	11000	25.3%		
Principal Financial Group	Insurance	8,169	18.8%	17,501	36.7%
State of Iowa	Government	6,749	15.5%	7,500	15.7%
United State Government	Government	6,100	14.0%	6,000	12.6%
Iowa Health System	Health Care	6,470	14.9%	-	-
Des Moines Ind. School District	Education	4,000	9.2%	4,662	9.8%
Communication Data Service, Inc	Data Entry	1,200	2.8%	-	-
Mercy Hospital Medical Center	Health Care	4,650	10.7%	4,650	9.7%
United Parcel Service	Delivery	1,000	2.3%	2,183	4.6%
Wellmark Blue Cross Blue Shield	Insurance	1,647	3.8%	1,755	3.7%
Bridgestone-Firestone	Manufacturing	1,500	3.4%	2,500	5.2%
Pioneer Hybrid	Agricultural Sales	2,000	4.6%	950	2.0%
Total		43,485		47,701	

Source: City Chambers of Commerce

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT POPULATION

June 30, 2010
(Unaudited)

Census Year	Waukee	Clive	Urbandale	West Des Moines
2004/2008/2005*	8132	14125	35904	51744
2000	5,126	12,855	29,072	46,403
1990	2,512	7,462	23,500	31,702
1980	2,227	6,064	17,869	21,894

Source: City Chambers of Commerce

*special Census done in 2004-Waukee, 2008 Urbandale and 2005 West Des Moines

WAUKEE COMMUNITY SCHOOL DISTRICT
CERTIFIED RESIDENT STUDENT ENROLLMENT BY GRADE

Last Ten Fiscal Years
(Unaudited)

Grade	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
PK	30	30	24	29	26	22	26	24	14	14
K	625	577	595	555	549	522	433	445	321	327
1	603	584	568	577	544	459	467	350	346	276
2	601	547	584	549	480	486	368	377	296	255
3	542	581	570	507	499	390	403	319	262	222
4	581	549	513	510	413	423	347	276	241	215
5	559	516	522	427	446	362	297	260	233	230
6	524	504	431	449	376	310	292	244	256	185
7	517	423	451	367	319	316	260	265	199	192
8	419	432	378	321	324	265	274	224	220	188
9	438	362	316	317	273	296	234	244	189	179
10	355	297	308	283	319	252	263	198	190	174
11	304	285	304	313	262	268	198	202	182	165
12	282	272	321	254	268	219	206	198	163	146
District Served Enrollment	6380.0	5959.0	5885.0	5458.0	5098.0	4590.0	4068.0	3626.0	3112.0	2768.0
Open Enrollment/Tuition In	185.1	169.2	175.0	199.0	219	232	225	236	237.0	186
Open Enrollment/Tuition Out (includes Home & Alt. School Students)	311.6	308.1	257.4	229.3	196.6	170	187.1	172.8	148.7	131.8
Certified Resident Enrollment	6,506.5	6,097.9	5,967.4	5,488.3	5,075.6	4,528.0	4,030.1	3,562.8	3,023.7	2,713.8

* No Data Available

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

OPERATING COST PER PUPIL

Last Ten Fiscal Years
(Unaudited)

Year ended June	Total Costs*	Daily Membership	Operating Cost per Pupil
2009	\$ 51,246,632	6,021	\$ 8,511
2008	\$ 41,081,400	5,441	\$ 7,550
2007	\$ 34,311,684	5,065	\$ 6,774
2006	\$ 29,592,960	4,617	\$ 6,410
2005	\$ 25,161,933	4,058	\$ 6,201
2004	\$ 21,123,109	3,685	\$ 5,732
2003	\$ 18,337,958	3,138	\$ 5,844
2002	\$ 16,349,386	2,801	\$ 5,837
2001	\$ 14,279,896	2,461	\$ 5,802
2000	\$ 12,220,417	2,160	\$ 5,658

*Includes only General Fund expenditures.

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
IOWA SCHOOL CASH ANTICIPATION PROGRAM (ISCAP)

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Principal of Certificates Issued
2010	\$ -
2009	\$ -
2008	\$ -
2007	\$ -
2006	\$ -
2005	\$ -
2004	\$ -
2003	\$ 2,275,000
2002	\$ 2,049,000
2001	\$ 1,433,000

Source: District records

Waukee Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2010

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 10	\$ 57,584
National School Lunch Program	10.555	FY 10	586,796 *
			<u>644,380</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	FY 10	162,819
ARRA - Title I Grants to Local Education Agencies - Recovery Act	84.389	FY 10	59,495
			<u>222,314</u>
Vocational Education - Basic Grants to States	84.048	FY 10	<u>12,712</u>
Safe and Drug-Free Schools and Communities- State Grants	84.186	FY 10	<u>10,830</u>
Title III - English Language Acquisition State Grants	84.365	FY 10	<u>9,076</u>
Improving Teacher Quality State Grants	84.367	FY 10	<u>50,445</u>
Grants for State Assessments	84.369	FY 10	<u>37,804</u>
ARRA - State Fiscal Stabilization Fund(SFSF) - Education State Grants, Recovery Act	84.394	FY 10	<u>2,547,215</u>
Heartland Area Education Agency			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	FY 10	304,852
ARRA - Special Education - Grants to States, Recovery Act	84.391	FY 10	833,577
			<u>1,138,429</u>
Corporation for National and Community Service:			
Iowa Department of Education:			
Learn and Serve America	94.004	FY 10	<u>9,142</u>
 Total			 <u>\$ 4,682,347</u>

* Includes \$153,443 of non-cash awards.

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Waukee Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.





Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Education of Waukee Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Waukee Community School District, Waukee, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements listed in the table of contents and have issued our report thereon dated November 12, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Waukee Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Waukee Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Waukee Community School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waukee Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Waukeee Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Waukeee Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Waukeee Community School District and other parties to whom Waukeee Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Waukeee Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Van Maanen, Sietstra & Meyer, PC

Van Maanen, Sietstra & Meyer, PC
Certified Public Accountants

November 12, 2010



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CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Compliance with Requirements Applicable
to Each Major Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133**

To the Board of Education of Waukee Community School District:

Compliance

We have audited the compliance of Waukee Community School District with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Waukee Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Waukee Community School District's management. Our responsibility is to express an opinion on Waukee Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Waukee Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Waukee Community School District's compliance with those requirements.

In our opinion, Waukee Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Waukee Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Waukee Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Waukee Community School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency in the District's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Waukee Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the District's responses, we did not audit Waukee Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Waukee Community School District and other parties to whom Waukee Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Van Maanen, Sietstra & Meyer, PC

Van Maanen, Sietstra & Meyer, PC
Certified Public Accountants

November 12, 2010

Part I: Summary of the Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements.
- (b) No materials weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 84.394 – ARRA - State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act
 - Clustered programs:
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
 - Clustered programs:
 - CFDA Number 84.027 – Special Education, Grants to States
 - CFDA Number 84.391 – ARRA – Special Education, Grants to States, Recovery Act
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Waukee Community School District did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-10 Certified Budget - Expenditures for the year ended June 30, 2010, exceeded the amended certified budget amounts in the instruction, non-instruction and other expenditures functions.
- Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.
- Response – Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.
- Conclusion – Response accepted.
- IV-B-10 Questionable Expenditures - No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-10 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-10 Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-10 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-10 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-10 Certified Enrollment – A variance in the basic enrollment data certified to the Department of Education was noted.
- Recommendation – The certified enrollment data should be corrected for students who exit the District.
- Response – We will correct the certified enrollment in the future for students exiting the system.
- Conclusion – Response accepted.
- IV-H-10 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-10 Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-J-10 Certified Annual Report - The Certified Annual Report was filed with the Department of Education in a timely manner.
- IV-K-10 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.

Waukee Community School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2010

IV-L-10 Statewide Sales, Services and Use Tax – No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. For the year ended June 30, 2010, the District's financial activity and other required information for the statewide sales, services and use tax revenue are as follows:

Beginning balance		\$	-
Statewide sales, services and use tax revenue			3,803,136
Expenditures/transfers out			
School infrastructure:			
Facilities acquisition and construction	\$	640,574	
Debt service for school infrastructure:			
Revenue debt		3,162,562	3,803,136
			<hr/>
		\$	-

The statewide sales, services and use tax revenue received during the year ended June 30, 2010 is equivalent to a reduction in the following levies:

	<hr/>	
	Per \$1000 of	
	Taxable	Property Tax
	Valuation	Dollars
Debt service levy	\$ 1.93173	\$ 3,803,136